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WARMING, GLOBAL REMEDY

ERIC ALTERMAN ON  
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# THE AMERICAN PROSPECT

THE RE-EMERGENCE OF THE  
**EMERGING  
DEMOCRATIC  
MAJORITY**

LIBERAL INTELLIGENCE

BACK TO THE FUTURE

JOHN JUDIS  
& RUY TEIXEIRA

COLLAPSING  
CONSERVATISM

STANLEY GREENBERG  
ROBERT BOROSAGE



JULY / AUGUST 2007

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# THE AMERICAN PROSPECT

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VOLUME 18 • NUMBER 7 JULY / AUGUST 2007

*"As Emerson pointed out, both conservatism and reform degenerate into excess."*

—ARTHUR SCHLESINGER JR.  
THE CYCLES OF AMERICAN HISTORY

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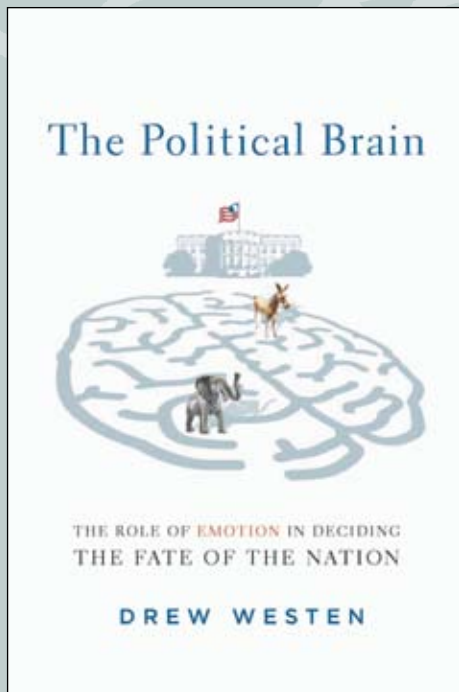
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**-MICHAEL TOMASKY,**  
*The New York Review of Books*

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# Why Immigration Reform?

**W**HEN IMMIGRATION LEGISLATION STALLED AND possibly died on the Senate floor on June 7, some progressives were just as pleased as Lou Dobbs. But passing even an imperfect compromise of the kind the Senate had been debating would be far better than doing nothing.

Among all the conflicting concerns about the issue, there is one that ought to drive change: The presence of 12 million people without legal or political rights in our society is fundamentally inconsistent with the principles on which a liberal democracy rests.

While a small number of illegal residents or temporary workers may raise ethical questions, a large population with no rights or security undermines the rule of law, the rights of citizens, and the working of democracy. The law cannot offer equal protection to all when there are millions of people for whom it offers no protection whatsoever.

For example, if employers can hire illegal immigrants who fear the authorities and therefore cannot call on them to enforce minimum-wage and other labor laws, those laws lose much of their efficacy in protecting citizens as well. If millions of low-wage earners are barred from voting because they are not citizens, the political influence of the poor is diminished and the electorate is skewed upward.

The two principal elements in immigration reform—stronger enforcement of border security and a path to citizenship for illegal immigrants already in the United States—could help to alleviate these problems.

Both elements, not just the extension of opportunities for naturalization, are crucial. Extending citizenship without also controlling illegal entry into the United States would only reproduce in

the future the unacceptable situation that we have today.

Conservatives have a legitimate point when they say that offering citizenship to people who have come here illegally creates an incentive for others to violate the law. The only way to address that concern is to adopt serious measures for enforcement, including, for example, biometric identity cards and serious penalties for employers who hire illegal workers. These are crucial for making a new law successful where the 1986 immigration reform failed.

But tightening the borders can have perverse and counterproductive side effects if the law doesn't also address the demand for seasonal workers, particularly in agriculture. The border-security measures taken in recent years have already discouraged illegal immigrants in seasonal jobs from returning to Mexico, for fear they would never be able to come back. As a result, many illegal immigrants stay here during periods when they have no jobs, posing the kind of burden to society that anti-immigrant groups mistakenly attribute to all immigrants.

That is why we need a modestly proportioned temporary-worker program. Liberals who oppose such a measure ought to pay attention to the small size

of the program (up to 200,000 workers annually) that would be authorized by the legislation under debate. There is no chance that sufficient numbers of native-born workers are going to fill the demand for seasonal employment, and there is no likelihood that a program on this scale would significantly reduce wage levels, not least of all because the law requires that temporary workers be paid prevailing wages in the industry. The temporary-worker program is a small concession to economic realities, justified by the larger benefit that a compromise on immigration could bring.

The larger benefit is that, taken together, the various elements in the proposed legislation would move us closer to a democracy that affords full citizenship to all of those who live permanently within its borders and under its laws.

To be sure, there are legitimate objections to the symbolism of building a fence along the Mexican border, and there are legitimate questions about the diminished importance of family ties in the new points system for determining who can enter America as a legal immigrant. But neither of these concerns ought to be allowed to kill the legislation.

*There is no equal protection of the law when millions have no protection at all.*

There will never be an easy time to pass immigration reform. This year, however, the president has a political interest in using immigration reform to restore credibility to his administration. And the Democrats also have a political interest—indeed, a much more important one—in

passing an immigration bill. To get a Republican president and key Republicans in Congress to buy into a compromise is far better than it would be for Democrats, if they win in 2008, to try to pass reform on their own and thereby risk an ugly and powerful backlash under the Republicans in 2010.

If there is a deal to be had on immigration in this Congress, liberals and progressives should be part of it. **TAP**

— PAUL STARR



## Genetic Differences

Melvin Konner's review of Michael Sandel's "The Case Against Perfection" [May 2007] reads like something written by Ayn Rand on steroids. Konner glibly downplays concerns about sports doping, cosmetic surgery, lifestyle neuropharmaceuticals, sperm-sorting to guarantee the sex of your child, and genetic manipulation to enhance your child's "health, brains and beauty." He appears oblivious to the profound real world consequences that the development and widespread marketing and use of such technologies would have for equality, equity, human rights, and solidarity.

Konner repeats two arguments commonly made by libertarians: Genetic enhancement of your kids is the same as sending them to private schools and you can't stop it anyway.

Well, no. High-tech genetic manipulation, repeated over even a few generations, could generate inequalities greater and of a different sort than any heretofore. Most European countries, Canada, Japan, and South Africa, have already adopted policies that draw the proper lines: They

support medical research but proscribe the use of genetic technologies for non-medical purposes that could have pernicious societal outcomes. We can do likewise.

Michael Sandel has a distinguished record as a political and moral philosopher of the common good. His analysis provides socially responsible progressives with a basis for thinking about the new human biotechnologies in ways consonant with the values held by the great majority of Americans.

RICHARD HAYES,  
*Executive Director  
Center for Genetics  
and Society*

### Mel Konner responds:

Richard Hayes unsurprisingly resorts to an ad hominem attack in the absence of a cogent response to the main point of my review. It is not whether enhancement technologies are good or bad under the aspect of eternity—a kind of certainty I freely admit I have no access to. It is whether my decision to enhance myself or my child shall be subject to some philosopher's or theologian's opinion. In any world I want to live in, neither Hayes nor Sandel will make that decision for me.

## Strike Two

I took courses with Albert Wohlstetter in the late 1970s. Anthony David's description ["The Apprentice," June 2007] of him as some kind of wild-eyed ideologue is quite bemusing. Nowhere in Wohlstetter's classic, "The Delicate Balance," does he denounce a policy of leaving the world "half slave and half free" or offer a clarion call to eliminate evil regimes.

Instead it is a stringent, largely quantitative, analysis of the requirements of maintaining an effective nuclear deterrent. He demonstrated that U.S. strategic forces, based almost entirely on bombers at that time, could conceivably be destroyed in a surprise missile attack. This article was the foundation of the doctrine of secured second strike, and, though he certainly depreciated the notion, of the doctrine of Mutual Assured Destruction. His alternative was not just missile defense, but increased emphasis on conventional weapons, including later precision-guided munitions. He was very concerned about nuclear proliferation. However, the emphasis was not on "regime change," but on

the dangers of plutonium reprocessing. Indeed, I recall Wohlstetter's disdain for [a] proposal to threaten Warsaw Pact states with tactical nuclear weapons to dissuade them from participating in a conventional attack on NATO.

BEN FIEDLER  
*Seminole, FL*

**Correction:** "The Shia Fellas" by Robert Dreyfuss [June 2007] mistakenly referred to Mohammed Baqr Hakim as "Sadr I." Mohammed Baqr al-Sadr is Sadr I. Sadr but wiser, we regret the error.

*Letters to the editor should be sent to [letters@prospect.org](mailto:letters@prospect.org) or mailed to The Editors, The American Prospect, 2000 L St., NW, Suite 717, Washington, D.C. 20036.*

## FROM THE EXECUTIVE EDITOR

THE AIR HAS UP AND LEFT CONSERVATISM'S BALLOON. And not just substantively (as anyone who has listened to the Republican presidential candidates debate can attest), but politically as well. Public support for conservative policies—laissez-faire health care, unilateral militarism, gay bashing—has plummeted, and support for alternative progressive approaches has risen. In this issue, John Judis and Ruy Teixeira revisit their 2002 appraisal of an American electorate that was trending toward the Democrats before 9-11, take an exhaustive look at recent election data, and conclude that the public's shift toward the Democrats has returned stronger than ever—and enduringly. To which pollster Stan Greenberg adds a huge caveat: Republicans have so discredited government that Democrats will have to square their own politics with the public's deep cynicism toward governmental programs.

Liberalism returns to center stage, however, with one critical part of its infrastructure profoundly subverted. Assessing Martin Peretz's third-of-a-century reign at *The New Republic*, Eric Alterman documents Peretz's transformation of that magazine from a liberal standard-bearer into neoconservatism's liberal helpmate.

Finally, we inaugurate a new back page column, alternating with Robert Reich's, from Chicago's own Tom Geoghegan (pronounced gay'-gun), defender of the working class and God only knows what else.

— HAROLD MEYERSON

# Up Front



## GORE'S FUTURE REVEALED

**I**N CONSULTATION WITH A TEAM OF MATHEMATICIANS and climatologists at MIT and Cal Tech, the *Prospect* has devised what we consider to be a foolproof formula for determining whether Al Gore will enter the 2008 presidential race.

We begin by calculating the high median daily temperature for America's 50 largest metropolitan areas between June 25 and August 15 this summer, and comparing it to the median high daily temperature for those 50 metro areas in that same time period over the preceding 40 years. If this summer's median exceeds that of the preceding 40 years by  $x$ , then Gore's candidacy is assured.

Sharp-eyed readers may note that we haven't assigned a specific numerical value to  $x$  (or, as the algebraically disinclined at the *Prospect* prefer to call it, "the shvitz factor"). We acknowledge this, and we and our academic colleagues remain hard at work determining this important detail. But as a separate team of leading political scientists reported to us, "[I]f a sufficient number of American voters conclude, 'Damn, it's hot! I'm voting for Al Gore,' or, 'I'm beat. Where's that fat guy, you know, Gore?' the probability that Gore will in fact run measurably increases."

For now, we can report that if  $x$  equals one or less, Gore probably will not run, and if  $x$  equals 90 or higher, we will likely all be dead. Refinements of these calculations will be available in future issues, unless  $x$  equals 90 or higher.

— HAROLD MEYERSON

### SEARCH AND DESTROY

Rejoice! The Hillary Clinton book season is at last upon us. The first high-pedigreed tome to hit bookstands is *Her Way* by Don Van Natta Jr. and Jeff Gerth—*The New York Times*' veteran White-water hype man. At one point in the book, the two write that a September 13, 2001, com-

ment from Clinton "mark[ed] the first time that she had spoken publicly as a senator about the terrorist threat to the United States." The endnote backing up this claim cites the author's Lexis-Nexis search "for all statements made by Hillary Rodham Clinton from early January 2001 to September 2001; the precise phrase searched was 'homeland threat.'" Homeland threat? As Media Matters noted, if, like a normal person, you instead searched for "Hillary Clinton" and words like "terrorism" or "terrorist," you'd find a March 2001 reference she made to Osama bin Laden. Who used the word "homeland" prior to 9-11 anyway?

### "REALLY STRAIGHTFORWARD"

Fun with selective Nexis searching aside, Gerth and Van Natta at least don't appear to be completely confused about basic issues

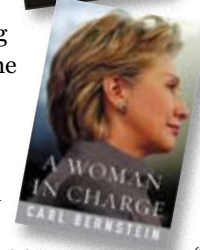
in their narrative. Carl Bernstein, for his part, also has a Hillary book out this summer, *A Woman In Charge*. During a promotional appearance in June on Bill O'Reilly's show, the following exchange took place: O'Reilly asked, "Did she break the law" during the

Whitewater investigations? Bernstein replied, simply, "Yes." O'Reilly: "How did she break the law?" Bernstein: "She broke the law if, indeed, she perjured herself ... The special prosecutor determined that she did not." O'Reilly (perplexed): "So, you think she did. But the special prosecutor, Ken Starr, said no." Bernstein: "You know what?

Let me be really straightforward. I don't think she broke the law. I think there was a time that she did not tell the truth." O'Reilly: "Under oath?" Bernstein: "You know, I wasn't in the room." It's hard to recall that last line appearing in *All the President's Men*.

### CASUALTY OF WHAT?!

Assorted bigwig hawks and D.C. establishment types wrote a total of 174 letters to Judge Reggie Walton urging him to show mercy in his sentencing of Scooter Libby. One of the most fulsome letters of praise came





**THE QUESTION:**  
**MITT ROMNEY SAYS**  
**HIS FAVORITE BOOK IS**  
**BATTLEFIELD EARTH.**  
**WHAT'S A BETTER**  
**BOOK HE COULD READ?**

"Double-Gitmo-Mittmo should be, well, strapped to a chair and forced to read a good book on torture, such as Tara McKelvey's *Monstaring*."  
 —**Rick Perlstein**, author, *Nixonland* (forthcoming)

"Jon Krakauer's *Under the Banner of Heaven*."  
 —**Amy Hoffman**, editor, *Women's Review of Books*



"Vali Nasr's *The Shia Revival*: Lots of mysticism and bloodshed, and it might teach Mitt things about Iraq he seems so intent on not learning."  
 —**Joe Klein**, *TIME*

from Fouad Ajami, a Johns Hopkins professor and the intellectual darling of Iraq war supporters. Once the judge ignored the advice of D.C.'s warmongering elite and threw the book at Libby, Ajami took to *The Wall Street Journal's* op-ed page in June to elaborate on his letter and urge President Bush to pardon Libby. Ajami, the author of a book about the Iraq war titled *The Foreigner's Gift* (that would be freedom!), has a uniquely offensive way with words: In his *WSJ* column he invokes the language of "The Soldier's Creed" and refers to Libby as "a casualty of a war our country had once proudly claimed as its own." More than 3,470 Americans had been killed in that war at the time Ajami's op-ed was published.

**IT'S A WIN-WIN!**

*The Washington Post* ran a piece in early June about splits in the anti-abortion movement concerning the Supreme Court's *Gonzales v. Carhart* decision and the overall effectiveness of the strategy of ginning up arbitrary laws banning specific abortion procedures. James Dobson's outfit, Focus on the Family, is firmly in support of this strategy. As Tom Minnery, the organization's vice president, explained, with the "partial birth" abortion procedure banned, people would revert to "the

old procedure," and that one "involves using forceps to pull the baby apart in utero, which means there is greater legal liability and danger of internal bleeding from a perforated uterus. So we firmly believe there will be fewer later-term abortions as a result of this ruling." In other words, the greater danger to women's health posed by the "partial birth" ban is a feature, not a bug. It's pro-life, you see.

**DOWN THE MEMORY HOLE**  
 GOP presidential contender Mitt Romney took some small heat for claiming at the early June New Hampshire primary debate that Saddam Hussein had not "opened up his country to IAEA inspectors" in 2003. Back in the real world, Hussein did, in fact, do that, the inspectors found no weapons, and the United States kicked them out to start an invasion anyway. Those who

think Romney's audacious revisionism might actually hurt him should recall another quote: "The larger point is, and the fundamental question is, did Saddam Hussein have a weapons program? And the answer is, absolutely. And we gave him a chance to allow the inspectors in, and he wouldn't let them in." That was said by George W. Bush on July 14, 2003. He was reelected 15 months later.

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**2010:** *It Was Just a Barbecue: Insurance and Your Beloved Former Residence*

**2011:** *Wo Meiyou Qian le: And 100 More Ways to Tell the People's Public of China That You'll Be Late With Your Payment*

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# The Thirty-Year Itch

BY MARK SCHMITT

I'VE ALWAYS RESISTED THE IDEA THAT THERE IS "AN inherent cyclical rhythm in our national affairs," as the late Arthur M. Schlesinger Jr. put it. Schlesinger suggested that American history moves in 30-year cycles between liberalism and conservatism, between public

and private concerns. But it's hard not to notice that it was exactly 30 years ago that the conservative era dawned, with the introduction of the then-audacious Kemp-Roth tax-cut proposal, in 1977, followed by California's tax-limiting Proposition 13 the next year. Also in those two years, a freshman Utah senator named Orrin Hatch led a 19-day filibuster that brought down a major labor-law reform bill (after which the idea of restoring unions' bargaining power went unmentioned until this year), and Phyllis Schlafly led campaigns to defeat the Equal Rights Amendment and the Panama Canal Treaties. Only the first succeeded, but both mobilized the base for the Reagan revolution to come. In 1978 Republicans gained 15 seats in the House; among the new members were Newt Gingrich and Dick Cheney.

Conservatives still lacked institutional power; even after the 1978 election, Democrats outnumbered Republicans by 119 seats in the House and 18 seats in the Senate, and they also held the White House. But the right had taken control with its agenda, and it was an ambitious and confident one. Its basic principles—cutting taxes as an end in itself, keeping unions weak, deregulating business, embracing unilateral American power, and deploying social issues as needed—have dominated the 30 years since. The Clinton presidency, in retrospect, was a modest interregnum within this long cycle, in which Democrats simply strug-

gled to manage, and to make some incremental progress within, the confines of the conservative agenda, even as they shared some of its assumptions.

It is now a commonplace that the most recent six-year experiment in one-party governance is coming to an ugly end, with little left of the Bush-DeLay agenda except to push the war-on-terror button ever more frantically. But it's possible that even more is going on than that. Perhaps this recent period, a bizarre and unsustainable warp in the sweep of American politics, was just the decadent late phase of the dying culture of post-1978 conservatism.

But a liberal agenda, or an agenda that puts public values above private ones, must be ready, ambitious, and confident enough to take over the next 30 years. Much of the timidity and passivity that have characterized Democrats through the past several decades remains deeply institutionalized in the consultants, candidates, and organizations of the center-left, often presenting itself as hard-nosed political realism. But the Iraq War vote in 2002 has been a sharp reminder to Democratic politicians that caution also carries risks, and the 2006 election a reminder that audacity can sometimes bring rewards.

In the presidential race, and in the work of some creative governors and senators, the outlines of a new agenda are emerging, one every bit as ambitious as the Kemp-Roth bill was in its day: Combine the common elements in Democratic proposals on health care and climate change, and the alliances with business that are possible (but not certain) in both areas, and one can foresee a day when the public sector accounts for a much larger share of gross domestic product, while the economy grows faster, prosperity is more broadly shared, working families are more secure, and, above all, business largely endorses this agenda. By stabilizing health costs and sharing the risks, and by building a series of other supports to help workers navigate confidently through a dynamic economy, we can imagine a new social contract in which government's role in providing security is yoked to, and not considered a drag on, economic growth. The most oppressive assumption of the conservative era, so powerful that it has been largely shared by liberals, has been that we are passive in the face of economic forces, such as globalization, and that anything we do to manage

those forces will cause harm. Taking charge of health care and climate change are not just policy initiatives to be viewed in isolation; they are part of an agenda that directly, if belatedly, challenges that assumption.

The problem with cyclical theories of history, though, is that they are too passive, as

if all we had to do was to wait for the great wheel to make its next turn. As the historian Kevin Mattson has pointed out, Schlesinger and his cohorts were somewhat complacent about conservatism for that reason. The opportunity to set a new agenda may be before us, but it can't happen unless liberals are as daring now as Orrin Hatch and Phyllis Schlafly were then. **TAP**

*By both Arthur  
Schlesinger's  
theory and  
observable reality,  
the conservative  
era is over.*



# Beyond Regret

BY SARAH BLUSTAIN

**F**OR SEVERAL MONTHS I'VE HAD A WORRY, ONE OF those that at first seems mad but won't, over time, go away: Sometime in the foreseeable future, anti-abortion forces will make another run at the surgeon general, seeking a warning that abortion is hazardous to women's

health. Abortion-rights supporters will be horrified. It is, we will say, *not true*; science matters, and the science to support the warning is not there. Besides, the anti-abortionists already tried this and lost.

But as evident as it seems that legal abortion, given its 35-year history, is safe, it is *not safe* to avoid this fight and hope that facts alone will carry the day. Given recent events in the courts and the states, and with a new surgeon general on the horizon, it's time to start getting the science out there—in forms people want to hear.

In 1988 Ronald Reagan directed his surgeon general, C. Everett Koop, to study the safety of abortion for women. Koop found the research biased, and refused to rule, writing in his memoir that the president had embraced the “silly idea” that “the evidence of adverse health effects (presumably mental) of abortion on women that the Surgeon General could pull together would be sufficient to overturn *Roe v. Wade*.”

How times have changed. For the past two decades, anti-abortion activists have worked to prove that abortion causes all sorts of problems, from psychological traumas aggregated into a mythical “post-abortion syndrome” (PAS), to breast cancer, to future fertility problems.

The research they've produced is weak. Much of it confuses correlation with causation. Much of it is also produced by a handful of pseudo-scholars with dubious qualifications. And almost all of

it was started with a premise (abortion is bad for women) and then sought data to prove it—hardly the scientific method.

Decades of scientific research, on the other hand, has proven no sound basis for these claims. Neither the American Psychological Association nor the American Psychiatric Association has recognized PAS. And in a 2006 report, the Guttmacher Institute found that “the preponderance of evidence from well-designed and well-executed studies indicates that abortion ... carries little or no risk of fertility-related problems, cancer or psychological illnesses.”

The ongoing threat to choice isn't just that the anti-abortion forces are pushing their research aggressively, but also that the assumption behind this research—that women will regret their abortions—seems to be irresistible to some state legislatures and courts. In his *Carhart* decision this spring, Justice Kennedy acknowledged that there is “no reliable data” about the potential harms of abortion to women, but went on to say that it “seems unexceptionable to conclude” that some women may suffer “severe depression and loss of esteem” as a result of “regret” over their abortions. “The state,” he concluded, “has an interest

in ensuring so grave a choice is well informed.” In other words, women should be informed of the risks—even though there is “*no reliable data*” to support the existence of these risks.

Kennedy may get his way. Many state legislative sessions are finished for the year, but Planned Parenthood expects an uptick in bills mandating “counseling” about abortion's risks next year. And once findings of fact about the supposed harm to women get into state-legislative and lower-court materials, higher courts will pay them significant deference.

Answering the claims that abortion hurts women isn't easy. Pro-choicers offer statistics on the significant relief that many women report after their abortions, but they don't often address the women who also have negative reactions. They need to. They need to show that the numbers of women whose abortions cause acute and long-term problems are statistically insignificant. Then they need to target liberal legislatures and liberal courts, making sure that research on the safety of abortion ends up in official findings there, so that when, ultimately, Kennedy or the surgeon general gives the data its day, there's ample official record on the other side to which they must defer.

But statistics alone won't help. What's compelling about the post-abortion-syndrome argument is that many people want to believe that a woman who aborts also regrets. Pro-choicers need to craft an emotional counter-narrative that rings true for—and about—women. That narrative may even acknowledge

regret—but it must also suggest that The Choice was the best choice among the options. If we don't move toward this message, a few generations hence we could see another surgeon general's warning, one that we already know to be true: that illegal abortion may be hazardous to your health. **TAP**

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# Back to the Future

*The re-emergence of the emerging Democratic majority*

BY JOHN B. JUDIS AND RUY TEIXEIRA

**A**S CONSERVATIVE REPUBLICANS TELL THE TALE, THE 2006 election was merely a referendum on the Bush administration's incompetence in Iraq and New Orleans and on the Republican congressional scandals. The contest, *Washington Post* columnist Charles Krauthammer wrote, "was an event-driven election that produced the shift of power one would expect when a finely balanced electorate swings mildly one way or the other." Others insist that demographic trends continue to favor the Republicans. Seeing 2006 as an anomaly, political analyst Michael Barone argued that population growth patterns favor Republican-leaning areas in the interior of the country rather than Democratic-leaning areas on the coasts.

We take a different view: that this election signals the end of a fleeting Republican revival, prompted by the Bush administration's response to the September 11 terrorist attacks, and the return to political and demographic trends that were leading to a Democratic and center-left majority in the United States. In 2006 the turn to the Democrats went well beyond those offices directly concerned with

the war in Iraq or affected by congressional scandals. While Democrats picked up 30 House seats and six Senate seats, they also won six governorships, netted 321 state legislative seats, and recaptured legislative chambers in eight states. That's the kind of sweep that Republicans enjoyed in 1994, which led to Republican control of Congress and of the nation's statehouses for the remainder of the decade.

Just as important as these victories is *who* voted for Democrats in 2006. With few exceptions, the groups were exactly those that had begun trending Democratic in the 1990s and had contributed to Al Gore's popular-vote victory over George W. Bush in 2000. These groups, which we described in our 2002 book, *The Emerging Democratic Majority*, included women, professionals, and minorities. But in 2006 they also included two groups our book slighted or ignored altogether: younger voters (those born after 1977) and independents. These voters can generally be expected to continue backing Democrats.

Finally, the 2006 election represented a shift in American politics, away from the right and toward the center-left, on a range of issues that go well beyond the Iraq war, corruption,

JOHN RITTER

**The 2006 election  
signals the end  
of the post-9-11  
Republican  
revival.**



and competence. Voters in 2006 returned to viewpoints on the economy and society that inclined them, even leaving aside the war, to favor Democrats over conservative Republicans. To understand how this could happen, and happen so suddenly, one has to appreciate the peculiar impact that September 11 had on what had been an emerging Democratic majority, and how, once the impact of that event dissipated, the earlier trends reasserted themselves with a vengeance.

### I. THE DEMOCRATIC EQUATION

In the 1990s the Democrats displayed the outlines of a new majority that would be different from the older, New Deal majority. The older majority had been based on the “Solid South,” blue-collar workers, ethnics, and rural voters; the new would combine women voters, professionals, and minorities, primarily in the North, Midwest, and far West, with close to an even split of the traditional white working-class vote in those regions. Some of the groups making up the new majority were recent converts; others had gone from the edges to the center of the coalition.

■ **WOMEN:** Throughout the 1960s, women voters had been disproportionately Republican; but in 1980 (partly in reaction to the Republican identification with the religious right) single, working, and college-educated women began voting disproportionately Democratic. In the 2000 congressional elections, for instance, single women backed Democrats by 63 percent to 35 percent.

■ **PROFESSIONALS:** Professionals, who are, roughly speaking, college-educated producers of services and ideas, used to be the most staunchly Republican of all occupational groups. In the 1960 presidential election, they backed Richard Nixon by 61 percent to 38 percent. But in the 1980s these voters—now chiefly working for large corporations and bureaucracies rather than on their own,

and heavily influenced by the environmental, civil-rights, and feminist movements—began to vote Democratic. In the four elections from 1988 to 2000, they backed Democrats by an average of 52 percent to 40 percent.

■ **MINORITIES:** Latinos had been voting Democratic since the New Deal, and blacks since the 1960s; but in the 1990s they were joined by Asian-American voters. In the congressional race in 2000, minorities, who now made up about 19 percent of electorate, backed Democrats by 75 percent to 23 percent.

These groups have different, and sometimes conflicting, political outlooks. Professionals, for instance, are generally skeptical of large government spending programs, which minorities are inclined to support. They also are leery of tax increases, even those aimed at the wealthy. College-educated and single women often fervently back abortion rights and gay rights, both of which many black and Hispanic voters oppose. But in national elections, and in state elections in the Northeast and far West, the socially liberal and fiscally moderate views of the professionals have generally taken precedence. These “new Democratic” or “moderate” politics were at the heart of Democratic victories in the 1990s.

In states like California and New Jersey, these three overlapping and burgeoning groups, rather than the white working class, dominate the electorate. In California, for example, the white working class constitutes only 38 percent of voters. But in many Midwestern and Southern states, white working-class (non-college-educated) voters still dominate. In those states, the Democratic coalition is a sometimes-combustible mixture of old and new, including adherents of social liberalism and of New Deal and fair-trade economics. As long-term economic trends toward a post-industrial





economy grow stronger, the white working class, in these states, and nationally, will shrink at the expense of professionals and minorities. But the Democrats have needed and will continue to need significant levels of white working-class support to supplement the newer parts of their coalition. Right now, Democrats need to win between 45 percent and 48 percent of the white working-class vote to carry states like Missouri, Ohio, or Pennsylvania, a little higher for Iowa, and higher still for West Virginia or Kentucky. (In presidential elections, a 43 percent to 44 percent share of the white working-class vote is adequate to win a national majority.) Democrats seemed to be moving in this direction during the late 1990s.

## II. DISTRACTION AND DE-ARRANGEMENT

Bush's initial success in waging the war on terror disrupted these trends toward the Democratic majority. American politics became dominated by concerns over national security, an issue on which Republicans had enjoyed voters' confidence since 1980. Some voters who might have supported Democrats were distracted from economic or social concerns that had favored Democrats. They ignored Republicans' religious intolerance and indifference to environmental pollution, rewarding Republicans instead for their presumed success in the war on terror. In 2004 George W. Bush won victories in swing states like Ohio, Iowa, and Florida largely because of these voters' defection. Chief among the defectors were white working-class women voters. In 2000 Bush had won these voters by 7 percent. In 2004 he won them by 18 percent. That year a plurality of these voters identified terrorism and security over the economy and jobs or the war in Iraq as their most important issue.

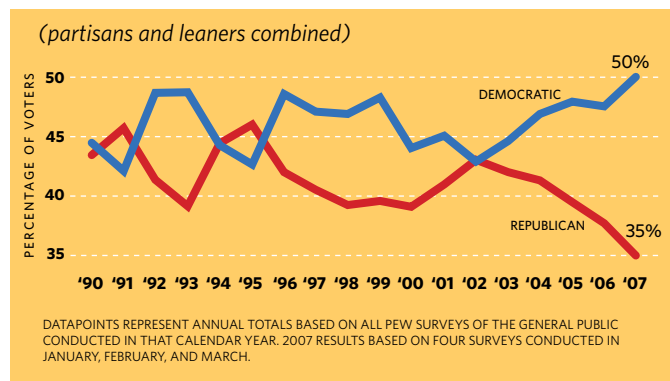
But there was also evidence of another psychological process, which might be called "de-arrangement." The focus on the war on terror not only distracted erstwhile Democrats and independents but appeared to transform, or de-arrange, their political worldview. They temporarily became more sympathetic to a whole range of conservative assumptions and approaches. In the past, voters had trusted Democrats to manage the economy, and in 2002 that preference should have been strongly reinforced by a recession that occurred on Bush's watch. Instead, voters in that election believed by 41 percent to 37 percent that Republicans were "more likely to make sure the country is prosperous." Recessions could also be expected to reinforce populist perceptions of the economy, but in 2002 the percentage of voters who believed that "the rich just get richer while the poor get poorer" hit its lowest level in 15 years. Most interestingly, opposition to abortion also followed the same curve. The percentage of voters who believed that abortion should be "illegal in all circumstances" (based on Gallup Poll annual averages) rose from 17 percent, in 2000, to 20 percent, in 2002, and was still at 19 percent in 2004.

In 2002 Republican strategists had an easy time making the case for their superiority as the party of national security and putting this issue at the forefront of voters' concerns. In 2004 it was more difficult. Voters had to be convinced that the war in Iraq was part of the war on terror and that whatever setbacks the United States had encountered there should be viewed in the context of overall Republican success in keeping al-Qaeda

at bay. Those voters who bought this argument tended to vote Republican; those who had become convinced that the war in Iraq was itself a distraction from the war on terror—and a costly blunder—primarily voted Democratic. These tended to be more-educated voters. In 2004, for instance, college-educated women, who had favored Republicans by 50 percent to 48 percent in the 2002 congressional elections, favored Democrats by 54 percent to 44 percent. Postgraduate voters supported Republicans by a margin of 51 percent to 45 percent in 2002; they backed Democrats by a margin of 52 percent to 46 percent in 2004.

By the 2006 election, many more voters had become disillusioned with the Republicans as the party of national security. They now drew a distinction between the war in Iraq and the war on terror, and they saw the disaster in Iraq overshadowing any success in the war on terror. Others came to doubt the administration's overall ability to protect Americans' national security—either from terrorists or natural disasters. As this change in perception took place, the foundations for

## Democrats have opened a wide party-identification advantage.

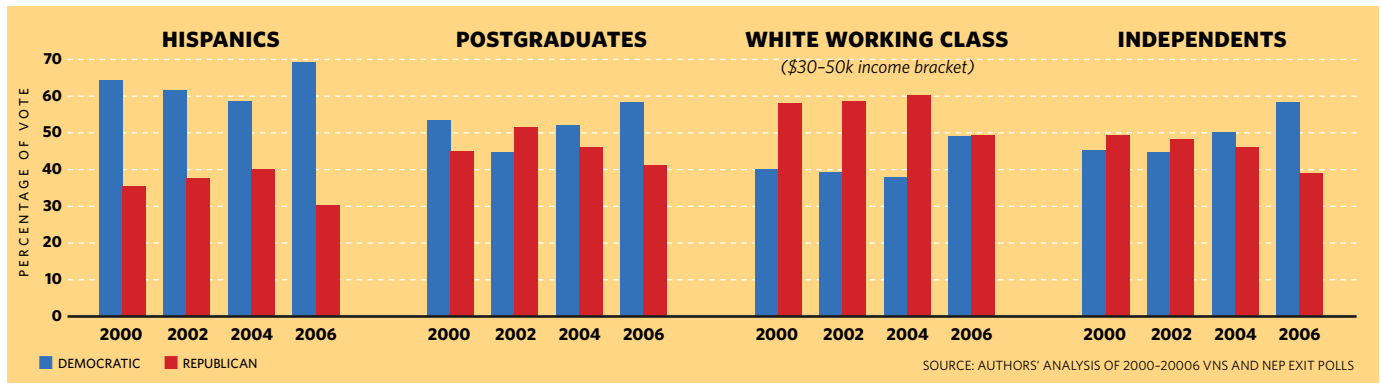


the Republican majorities in 2002 and 2004 crumbled. What one sees in the 2006 election is not simply a revolt against the administration's conduct of the war but a return to the political perceptions of the two parties that was inclining the electorate before September 2001 toward a Democratic majority. Voters didn't simply reject the administration for its conduct of the war; angered by its conduct of the war, they reembraced a center-left worldview on a whole range of issues. The electorate of 2006 was like the electorate of 2000—only more so.

Voters returned to a more traditionally liberal view of the economy. Even though the economy is in better shape now than it was in 2002, proportionately more voters now believe that the rich are getting richer and the poor are getting poorer. The gap between those who believe this and those who don't has widened by 16 percentage points. More of today's voters believe it is the responsibility of government to take care of those who can't take of themselves. That gap has widened by 15 points.

The same results have showed up even in opinions about social issues. The average annual percentage of those believing abortion should be illegal dropped from 19 percent in 2004 to 15 percent in 2006, and the percentage believing it should be legal in "all

## Recent congressional voting trends among key demographic groups favor Democrats.



circumstances” rose from 24 percent to 30 percent. Indeed, the outburst of religiosity that began a decade ago and sustained the Republican Party in the South and the prairie states seems to be abating. A 2007 study from the Pew Research Center reports “a reversal of the increased religiosity observed in the mid-1990s,” along with greater tolerance among white evangelical Protestants toward homosexuals and working women. The Pew study finds, for instance, that among white evangelical Protestants, the percentage of those who completely disagree that “women should return to their traditional roles” has risen from 28 percent in 1997 to 42 percent today. That spells trouble for a conservative Republicanism rooted in religious conservatism.

As might be expected, the shift in worldview is reflected in identification with the parties themselves. In Pew surveys conducted in 2002, Republicans and Democrats each commanded the allegiance of 43 percent of the public. But five years later, 50 percent identified with or leaned toward the Democrats, and only 35 percent identified with or leaned toward the Republicans. A 15-percentage-point gap has opened up between the parties. The change is equally dramatic when one looks at specific groups in the electorate.

### III. THE DEMOCRATIC MAJORITY

In the 2006 election, all the groups that had been part of the emerging Democratic majority in the late 1990s came roaring back into the fold. College-educated women backed Democrats by 57 percent to 42 percent. Single women backed Democrats by 66 percent to 33 percent. And the key swing group among women voters shifted. White working-class women, who had voted Republican by 57 percent to 42 percent in 2004, backed them by only 52 percent to 47 percent in 2006—a 10-point shift. This movement away from the GOP included a stunning 26-point shift by white working-class women with annual household incomes between \$30,000 and \$50,000, who went from pro-Republican (60 percent to 39 percent) in 2004 to pro-Democratic (52 percent to 47 percent) in 2006. Postgraduate voters, who are typically professionals, also moved decisively into the Democratic column. In 2002 these voters had backed Republican congressional candidates by 51 percent to 45 percent. In 2006 they backed Democrats by 58 percent to 41 percent.

Minority voters also increased their support for Democratic candidates, largely due to a shift among Hispanics. Hispanics

had backed congressional Democrats in 2004 by 59 percent to 40 percent, but in 2006 they supported them by 69 percent to 30 percent. This partly represented a reaction to Republican anti-immigration politics, but it also reflected a shift back to the kind of support that Democrats had enjoyed among Hispanics in the late 1980s and 1990s.

Moreover, each of these groups will likely increase its share of the electorate over the years. Minorities made up 15 percent of the electorate in 1990; they are 21 percent today and are expected to be 25 percent in 2015. Their weight will be much higher in key states like California, Florida, and Texas. In 1970 single women made up 38 percent of adult women; today they are a majority. College-educated women have more than tripled as a percentage of women 25 and older since then, going from 8 percent to 27 percent. Professionals were 7 percent of the workforce in the 1950s; they are 17 percent today and are expected to be 19 percent in 2015. Insofar as they vote at the highest rate of any occupational group, they likely make up a quarter or so of the electorate in many Northeast and far West states.

In 2006 Democrats were able to supplement these votes with sufficient support from the white working class. Democrats had gotten only 39 percent of this vote in the 2004 congressional elections; in 2006 Democrats got 44 percent of the vote, which was enough to give them a solid majority in Congress. Democrats’ success among these voters helped the party to pick up three house seats in Indiana (where the white working class makes up 66 percent of the voting electorate); two seats in Iowa (where it makes up 72 percent); a Senate seat in Montana (which is 68 percent white working-class); and a Senate seat, a House seat, and the governorship in Ohio (which is 62 percent white working-class). By 2015 the white working class is expected to fall from 52 percent to 47 percent of the U.S. electorate, but it will remain a critically important group nationally and in many elections in the Midwest and South.

In most of these states, white working-class voters returned to the Democratic fold because of disillusionment with Bush’s foreign policy—and because of a stagnant economy. While Democrats enjoyed significant gains among noncollege whites earning between \$50,000 and \$75,000 annually, they made their most dramatic gains among white working-class voters making between \$30,000 to \$50,000. In the 2004 congressional elections, these voters had favored Republicans by 60

percent to 38 percent; in 2006 they divided their vote equally between Democrats and Republicans. That's a 22-point shift.

#### IV. MILLENNIALS AND INDIES

The Democratic majority in 2006 was also bolstered by support from voters ages 18 to 29. Almost all of these voters fall into the category that pollsters call "millennials" or "Generation Y" (those born after 1977). In contrast to the previous generation, dubbed "Generation X" (those born between 1965 and 1977), they prefer Democrats over Republicans and the center-left over the center-right. According to a 2006 Pew survey, 48 percent of 18- to 25-year-old millennials identify themselves as Democrats, and only 35 percent identify themselves as Republicans. In 2006, 18- to 29-year-olds voted for Democratic congressional candidates by 60 percent to 38 percent. By contrast, 55 percent of 18- to 25-year-old Generation Xers had identified themselves as Republicans in the early 1990s. Political generations don't often change their allegiance. The New Deal generation sustained a Democratic majority for decades; Generation X has remained a bulwark of the Republican vote; and the millennials can be expected to bolster a new Democratic majority.

Clearly, different political experiences have shaped these two generations. Generation X grew up during the Carter and Reagan years, which were marked by Democratic failure and Republican success. The millennials grew up in years of the Clinton boom and Bush's disastrous failure in Iraq. Their political outlook most clearly resembles that of postindustrial professionals: socially liberal, in favor of government regulation of business, more secular, and less inclined than any other generation to accept the Republican identification with the religious right. In a 2006 Pew survey, 20 percent of 18- to 25-year-olds reported they had no religion or were atheist or agnostic, compared with just 11 percent among those over 25.

The other group that has come to make up the Democratic majority is political independents. These voters, who identify themselves to pollsters and public opinion surveys as "independents," represent an ideology rather than a social group, but they overlap with some Democratic constituencies and also set limits on the politics of a Democratic majority. According to the American National Election Studies, they make up about 38 percent of the potential electorate and 33 percent of actual voters. States with the highest proportions of independents are concentrated in the Northeast, upper Midwest, and far West (including Alaska and Hawaii), plus several mountain states (Colorado, Idaho, Montana) and North Dakota. Interestingly, there is considerable overlap between these states and states where Ross Perot polled more than 20 percent in 1992.

Many independents are professionals, and there are striking similarities between independents' and professionals' attitudes, especially their respect for science and their support for social liberalism. In New Jersey, for example, independent voters support gay marriage at about the same level as Democrats do, while Republicans are solidly opposed. But independents tend to be moderate on economic policy, more skeptical than Democrats that large government programs can be effective, and resistant to tax increases. They are particularly wary of "special

interests" in Washington (including the parties themselves) and often favor reforms in lobbying and campaign finance. In the Mountain States, they have a pronounced libertarian streak, both on social and economic issues. Many of them favor the right to an abortion *and* a handgun.

In the 1990s, independents began to lean Democratic in presidential elections. They moved back into the Republican column temporarily in 2000—perhaps because of the Clinton scandals. In 2002 they also backed Republicans in the congressional elections, but they have now scurried back to the Democratic Party. In 2006 they favored Democratic congressional candidates by 57 percent to 39 percent, far and away the largest margin that independents have given Democrats since the inception of exit polls.

In the 2006 congressional election, libertarian-leaning independents played a decisive role in Democratic victories in prairie and non-Pacific western states. In the Montana Senate race, independents voted 59 percent to 35 percent for Democrat Jon Tester against incumbent Conrad Burns, who had been linked to the Jack Abramoff scandal. In Arizona they strongly backed Gov. Janet Napolitano and even Democratic Senate challenger Jim Pederson, who lost to incumbent Jon Kyl. In Minnesota, where onetime Perot backer Jesse Ventura was elected governor in 1998 on the Reform Party ticket, independents backed Democratic Senate candidate Amy Klobuchar over conservative Republican Mark Kennedy by 63 percent to 28 percent. Independents also played a role in Democratic House pickups in Colorado, Kansas, Connecticut, and New Hampshire (where 44 percent of voters identify themselves as independents).

But it would be a mistake to identify independents as part of the Democratic base. The new Democratic coalition is center-left; independents are more toward the center, especially on fiscal and economic issues, than Democratic identifiers are. In California, independents backed moderate Republican Gov. Arnold Schwarzenegger in November 2006 by virtually the same margin they had given John Kerry over George W. Bush in 2004. Democrats will continue to attract independents—and independents will make up a significant ideological segment of the Democratic majority—so long as Democrats don't forget the "center" part of center-left and so long as Republicans remain on the right, especially on social issues.

#### V. GEOGRAPHY OF THE DEMOCRATIC MAJORITY

Politics in America is organized around states, and the new Democratic majority can also be seen as a bloc of states and regions that regularly vote Democratic or are, at least, open to Democratic candidates. In 2006 Democrats consolidated their hold on the Northeast, strengthened their position in the Midwest, and made inroads in Southern border states (including Florida) and in the prairies and the non-Pacific West. In the Northeast, Democrats picked up three governorships, two Senate seats, 11 House seats, and 156 state legislative seats. In the Midwest, Democrats picked up one governorship, two Senate seats, nine House seats, and 106 state legislative seats (which translated into a gain of six state legislative chambers). In the non-Pacific West, where Democrats had done poorly in the past, they won a Senate seat in Montana, a governorship



and a House seat in Colorado, and two House seats in Arizona.

The Deep South remains strongly Republican. In 2006 Democrats made no net gains across the five contiguous states of Louisiana (which, in the wake of Hurricane Katrina's depopulation, can be expected to become more Republican), Mississippi, Alabama, Georgia, and South Carolina. But Democrats picked up one Senate seat, six House seats, one governorship, and 31 state legislative seats in the other Southern states. Democrats are competitive in Virginia, North Carolina, Tennessee, Kentucky, and Florida. They have the upper hand in Arkansas and West Virginia, where the latest Gallup party-identification data give them stunning advantages of 26 and 24 points, respectively.

In Florida Democrats picked up two U.S. House seats, six Florida House seats, and the position of state chief financial officer. Democratic Sen. Bill Nelson easily won reelection. And opinion polls indicate that Florida's electorate is moving back toward the center. From 2004 to 2006, the percentage of Floridians identifying themselves as "conservative" dropped from 31 percent to 27 percent, while the percentage of those identifying as "middle-of-the-road" or "liberal" rose from 35 percent to 42 percent.

## Democrats should maintain control of Congress for most of the next 12 to 16 years. Control of the White House is more complicated.

No state or region is as uniformly in one party's camp as the old Solid South used to be. Democrats, for instance, have a 74-to-46 majority in the Mississippi state House, and Maine has two Republican senators. However, the Democrats can generally count on winning a majority of races in the Northeast (from Maine to Maryland), in Pennsylvania and across the upper Midwest (including Illinois), and on the Pacific Coast (except Alaska). That's a total of 248 electoral votes. Republicans can count on the Deep South, Kentucky, Tennessee, Texas, Oklahoma, Utah, Idaho, Wyoming, Alaska, Kansas, Nebraska, and the Dakotas. That's a total of only 154 electoral votes. The parties are more evenly matched in every other state, including formerly Republican states such as Colorado, Arizona, Montana, Virginia, and even Indiana. In these states, Democrats' success will depend on the skill and representativeness of their candidates and on the issues that most concern the electorate at election time.

Democrats also have an important base in large postindustrial metropolitan areas—what we have called ideopolises. These are large areas that merge suburb and city, and that specialize in producing services and ideas. They often generate a distinctive culture of arty boutiques, restaurants, cafés, and bookstores, and they take their political cues from the professionals who live there. The white working class in places like greater Portland or Seattle doesn't vote dramatically differently from the professionals whose culture dominates these areas. And the culture of the ideopolises is spreading to such smaller cities in the heartland, such as Omaha, which now sports an "Old Market District" (similar to Denver's Lower Downtown) and a Democratic mayor.

During the dot-com bust of 2000–2001, many of the ideopo-

lises lost population, but, according to demographer William Frey, they are bouncing back. "It's a tale of two kinds of cities," Frey told *The New York Times* in April. "Growing and 'new economy' metros that have rebounded from early decade woes, and large coastal and Rust Belt metros where high housing costs or diminishing employment prospects propel continued out-migration ... Among the former are a series of high-tech-driven centers like Austin, San Francisco, San Jose, Seattle, Salt Lake City, Boise, Raleigh and Atlanta, where growth slowdowns were reversed or modest growth has accelerated."

The Democratic percentage of the Senate vote in these ideopolises expanded from 52 percent in 2002 to 58 percent in 2006. Democratic House pickups in areas like suburban Denver, suburban Philadelphia, Connecticut, and southern Florida were powered by ideopolis coalitions where professionals and minorities take a leading role. Jim Webb's Senate victory in Virginia was largely due to his margin in Northern Virginia's high-tech suburbs. Democrats also made headway in districts that aren't yet ideopolises but contain significant towns and cities devoted to the production of ideas or services. Democrats now control two

House seats in Kansas: one includes the University of Kansas and the high-tech suburbs of Kansas City, and the other includes Kansas State University. In

Iowa, Republican Rep. Jim Leach was defeated in a district that includes the University of Iowa. In southern Indiana, the district where Baron Hill defeated a Republican incumbent includes the University of Indiana.

The Democrats also did well in medium-size, older industrial cities in the Midwest, reflecting their increased support among the white working class. In Ohio, Democratic Senate candidate Sherrod Brown picked up 60 percent of the vote in midsize metro areas like Akron, Canton, Dayton, Toledo, and Youngstown. In Indiana, Democrats carried the House vote 62 percent to 38 percent in the Evansville area—an area that Bush carried 61 percent to 38 percent in 2004. And in Iowa, Democrats got 54 percent of the House vote and 57 percent of the governorship vote in the Davenport area.

### VI. WINNING THE WHITE HOUSE

This new Democratic majority should result in Democrats maintaining control of Congress for most of the next 12 to 16 years. But it won't necessarily result in Democrats consistently winning the White House. To win elections, a Democratic candidate for Congress or governor has to maintain the support of the party's base while reaching a sufficient percentage of the swing voters in a given state or district. In Ohio, Iowa, or Indiana, that can mean appealing to white working-class voters in small towns. In Colorado, Arizona, or Montana, that can mean appealing to libertarian independents. In these local and state elections, Democrats can run candidates who reflect the special political mix of their state or congressional district. For example, in Ohio last year, Democrats ran a gubernatorial

candidate who opposed gun control and a Senate candidate who campaigned against free trade. In Colorado, Democrats ran a gubernatorial candidate who opposed abortion and gun control. In Pennsylvania, Democrats ran a Senate candidate who was pro-life who appealed to working-class Catholics. And in every one of these cases, the Democratic candidate was elected.

But in presidential elections, parties don't have the luxury of appealing to individual states and regions. A candidate can't favor gun control in New Jersey but oppose it in West Virginia, or be pro-choice in California but pro-life in Indiana or Kentucky. To win national elections, Democrats have to win not only their base in the Northeast, the upper Midwest, and the far West, but also swing states such as Ohio, Colorado, Florida, Nevada, and Missouri, each of which contains large numbers of voters who might be uncomfortable with a platform that would appeal to a voter in Massachusetts or California. That puts a premium on the political skill and background of the presidential candidate.

Since 1964 the only Democrats who have won the presidency are white Protestant males from the South who appeared to be moderates rather than liberals and whom white working-class voters could envision as "one of us." Candidates from the Northeast or upper Midwest have been trounced, in part, because they were unable to bridge the political and cultural divide between the Democratic base and the swing voters in the Midwest and border South. As the Democrats prepare for the 2008 election, their two leading candidates are Sens. Hillary Clinton and Barack Obama. Clinton, who is seen by voters as a Northeastern cultural liberal, will also probably face resistance from some white working-class males because she is a woman. Obama, a black man from Chicago, will also likely be seen as a cultural liberal; in addition, he could be at a disadvantage among many white voters in the South, lower Midwest, and interior West because of his race.

None of this suggests that the Democrats can't win the White House. Indeed, they will enter presidential elections with a slight advantage because of the tilt in the country toward the political center. But whether they can win will depend on how well they can maintain the Democratic base while reaching out to swing voters, and on the strength of the opposition. Republicans, obviously, will face problems of their own in placating their conservative Christian and pro-business base while reaching out to suburban professionals and the white working class in the North and West.

## VII. REFORM AND REALIGNMENT

One way that the new Democratic majority could be sustained, and even grow, over the next decade is for Democrats to enact popular, landmark legislation. The passage of Social Security legislation helped keep New Deal Democrats in power for decades. The creation of an effective national health-insurance program, despite Republican opposition, might do the same for today's Democrats. But there are major obstacles facing the Democrats in getting major reforms like these through Congress. First, the Democratic coalition itself is not a left-wing

coalition but a center-left one, in which the views of independents and professionals have considerable weight. Democrats will have difficulty agreeing among themselves on new, large government programs that may require higher taxes. In 1971 and 1979, disagreements among Democrats played a role as central as Republican opposition in blocking new health-care legislation. That could happen again.

Second, Congress, and particularly the Senate, is structured to prevent the passage of dramatic reform measures, which can be stopped through filibuster or even bottled up in conference. Labor-law reform, which is vital to reviving unions, faces a stiff test in having to overcome a filibuster. Third, given these structural obstacles, adopting major reforms has been easiest during periods of crisis and popular upsurge, such as the Progressive Era, the 1930s, and the 1960s. But we are not presently in such a period.

Lacking such favorable social conditions, Democrats have found it difficult to pass major legislation even when they have controlled the White House and Congress. Jimmy Carter failed in 1977–1978, and Bill Clinton failed in 1993–1994, to pass any major social legislation, even though they had that control. A more tractable alternative in the short run is to do what the Clinton administration attempted (not often successfully) during its second term: to introduce incremental reforms that are not just cosmetic but put in motion a process that can eventually

## One way to sustain or grow the new Democratic majority is for Democrats to enact genuinely landmark legislation.

lead to dramatic reforms. For instance, extending eligibility for Medicare to everyone under 21, or to adults 55 and over, could lead toward national health insurance. But incremental reform, by definition, has a smaller effect on voters' lives and will do less to weld the Democrats' coalition firmly to the party.

If the Democrats are limited to incremental reform, what we foresee is a realignment similar to the Republican realignment of the 1980s but different from the massive, dramatic realignment that occurred in the crisis of the 1930s. Democrats will hold Congress and the White House for most, but not all, of this period, and they'll suffer intraparty recriminations (as the Democrats of the 1990s did) from their failure to do better. But if they are able to anchor their majority in landmark legislation, they could achieve the kind of historic realignment that Franklin D. Roosevelt's Democrats enjoyed. At minimum, that would require Democratic politicians to put aside their own differences and mobilize pressure from below. The past record on this is not encouraging, but there's always the chance that today's Democrats will rise to the occasion. **TAP**

*John B. Judis is a senior editor at The New Republic, and Ruy Teixeira is a senior fellow at The Century Foundation and the Center for American Progress. They are co-authors of the 2002 book, The Emerging Democratic Majority.*

# Democrats Are Back—But...

*There's a catch: The Republicans have so discredited government that Democrats will encounter trouble backing the programs that they, and a conflicted public, know the nation needs.*

BY STANLEY B. GREENBERG

**T**ODAY'S PRESIDENTIAL CANDIDATES NAVIGATE A partisan landscape strikingly more Democratic than that in 2004 and even 2006. Poll after poll confirms the president's low job approval and the public's contempt for the Republican Party. For the first time since 1989, the Pew poll shows a majority of voters now call themselves Democrats, and polling for Democracy Corps (of which I'm a co-founder) shows a Democratic advantage that's grown even larger since the 2006 election.

Yet there is a new reality that Democrats must deal with if they are to be successful going forward. In their breathtaking incompetence and comprehensive failure in government, Republicans have undermined Americans' confidence in the ability of government to play a role in solving America's problems. Democrats will not make sustainable gains unless they are able to restore the public's confidence in its capacity to act through government.

## THE FAILURE OF CONSERVATISM

Over the past six years, the world has watched the conservative revolution die an ugly and painfully slow death. A Greenberg Quinlan Rosner study found favorable feelings toward conservatives have dropped by 10 points since 1994, and conservative policy proposals are dead on arrival in poll after poll.

We can look at almost any of the core principles that underpin conservatism and see the degree to which they have fallen from public favor. Our research for Democracy Corps finds that a majority of voters are looking for an America that promotes the values of strong community and a sense of togetherness over individualism and self-reliance. In its periodic "Trends in Political Values and Core Attitudes" studies, Pew has tracked responses to a question asking whether "government should care for those that can't care for themselves." In 1994 the number who agreed with that statement stood at a mere 57 percent, confirming the arrival of the "conservative revolution." Since then, however, as the public has witnessed conservatism in action, the percentage agreeing that the government should take care of people has steadily mounted, now reaching almost 70 percent.

The Pew surveys also ask a question that has registered the declining support for social conservatism: whether school

boards "should have the right to fire homosexual teachers." In 1990, 49 percent of Americans thought that schools should have that right, but today, now that the public has weathered the debate over "moral values," only 28 percent favor this stance.

In the realm of foreign policy and in the wake of the war in Iraq, Democracy Corps polling shows that Americans overwhelmingly reject unilateralism as the way to protect ourselves at home and assert our values abroad. In fact, after the 2006 election, nearly six-in-ten respondents favored the multilateralist perspective that building strong ties with other nations was the better way to make America secure.

The scale of the shift away from the conservative ideology and its policies is breathtaking. The public has given up on Republicans and conservatism as the answer to America's problems and they have turned to—and are desperately waiting to hear from—the Democrats.

## A ROADBLOCK FOR PROGRESSIVES?

The failed conservative revolution has left behind a deeply frustrated electorate. Two-thirds of Americans say the country is going in the wrong direction, and a solid majority says the country faces big problems rather than manageable ones. In response to these problems, a majority of Americans now say they want a more active government.

People want government to get serious about addressing the challenges we face as a country. Huge majorities want the government to be more involved in a range of issues including national security, health care, energy, and the environment. To tackle global warming, two-thirds of Americans support stronger regulation of business. When it comes to health care, the results are dramatic. By a two-to-one margin, people opt for a universal health care system rather than separate reforms dealing with problems one at a time. A majority even goes so far as to say it's time to establish a Canadian-style health care system.

All of this sounds like the opening that Democrats and liberals have been waiting for. Years of failure by Republicans—from the Enron debacle to the catastrophe in Iraq to the non-response to Hurricane Katrina, from congressional corruption scandals to wasteful spending and ballooning government debt—have



taken their toll on the American people. Americans are rightfully angry and impatient with a government they see as having achieved almost nothing for them in years.

But there is a perverse consequence brought about by the scale of conservatives' failure. The problem—the very substantial problem—is that conservatives have failed in ways that have undermined Americans' sense of collective capacity. Their failure has communicated not just their own incompetence, but also the message that government in general is incompetent. By failing so dramatically, conservatives have created a significant roadblock for Democrats: They have undermined people's faith in the very instrument that we as progressives want to use to solve problems.

The scale of damage done to people's belief in government is enormous. The results of a February study we conducted for Democracy Corps that assessed people's attitudes toward government stunned us. By 57 percent to 29 percent, Americans believe that government makes it harder for people to get ahead in life instead of helping people. Sixty-two percent in a Pew study said they believe elected officials don't care what people like them think, and the same number believe that whenever something is run by the government it is probably inefficient and

wasteful. The Democracy Corps study found that an emphatic 83 percent say that if the government had more money, it would waste it rather than spend it well. The government receives a job approval rating of more than 50 percent on only one issue—national security. On nearly every other issue, a majority of Americans disapprove of government's performance.

At the same time that Republicans have tarnished, corrupted, and degraded the efficiency and reputation of government, they have also produced an economy of stagnant wages, even as the cost of living has increased steadily. This has major consequences for the debate over what government can and should do. Americans are angriest at government over the issue of wasteful spending and the lack of accountability with which money is spent. People see government wasting their tax dollars—money that would make a real impact on their ability to pay grocery, gas, and medical bills.

Their anger is creating a serious challenge for Democrats who want to get heard on a pro-active, investment-based agenda. Although people may favor government action on critical issues like health care, education, and energy, their lack of trust in government's capacity to spend money properly means that their first priority actually is to cut wasteful spending and make government more accountable. People are desperate to see accountability from Washington—not just in the spending of tax dollars with no discernible results, but also in politicians' behavior. Two-thirds believe that politicians put their own interests before the public's.

As we attempt to turn this into a progressive period we need to understand the consequences of the era of conservative government and stagnant incomes that America has just lived through. It has deeply affected what Americans perceive government as doing, its capabilities and its role. While it is true that the plates have shifted toward the Democrats and that conservative principles are being abandoned, it is critical that Democrats recognize that America has lost faith in government and desperately wants Washington to change its ways.

#### GETTING HEARD

Progressives might well think that the public should get past all of this now that there is a Democratic Congress. But, although things got off to a strong start with the 100-hours agenda and ethics and lobby reform, people are still waiting to see real progress from Democrats. Life is not a game, and Democrats have to rise to the challenges posed by both the war in Iraq and the social and economic pressures on families.

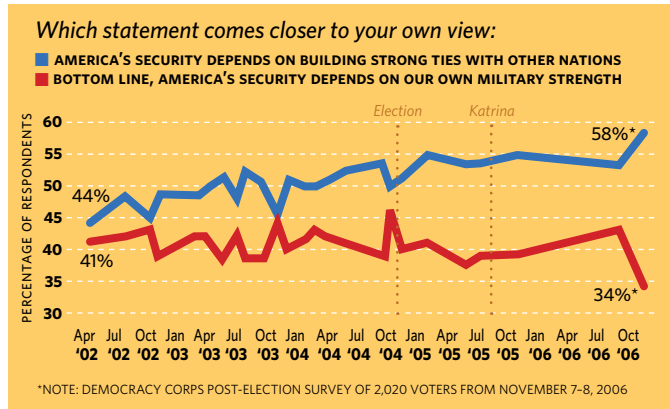
While the country is supportive of the direction Democrats in Congress have taken on Iraq, people are impatient for visible progress on that and other issues ranging from the minimum wage to health care and political reform. If Democrats are to be an effective and engaging progressive force, they will have to act to change not only the war's course but also better people's social and economic chances.

In 1992 when we were shaping Bill Clinton's campaign for the



- ☒ THE COUNTRY IS GOING IN THE WRONG DIRECTION.
- ☒ GOVERNMENT MAKES IT HARDER FOR PEOPLE TO GET AHEAD IN LIFE.
- ☒ ELECTED OFFICIALS DON'T CARE WHAT PEOPLE LIKE ME THINK.
- ☒ IF GOVERNMENT HAD MORE MONEY, IT WOULD JUST WASTE IT.

## The country turns dramatically away from unilateralism.



presidency, Clinton was polling third going into the Democratic convention, and Ross Perot was ahead in the polls. We wanted the campaign's core message to focus on economic investment, but we could not get people to listen to us on the economy until people heard that we "got it"—that we understood the value of people's tax dollars, that we criticized corruption and waste in government. Making it clear that Clinton comprehended people's frustrations with government was a precondition for getting heard on the rest of our message.

In all likelihood, we are going to have a year of gridlock going into the presidential election, which will only increase voters' frustration with government. The longer people see their real problems going unaddressed by the two main parties, the greater the likelihood that the electorate will fragment, and an independent and anti-politics candidate will emerge. The odds are high that both Republicans and Democrats will end up staring down the barrel of a real third-party movement or a Perot-like candidate, which could dramatically impact the races for the presidency and the Congress in 2008.

To have any chance of getting heard on their agenda, Democrats need to stand up and take on the government—not its size or scope, but its failure to be accountable—and deliver the results that people expect for the tax they pay.

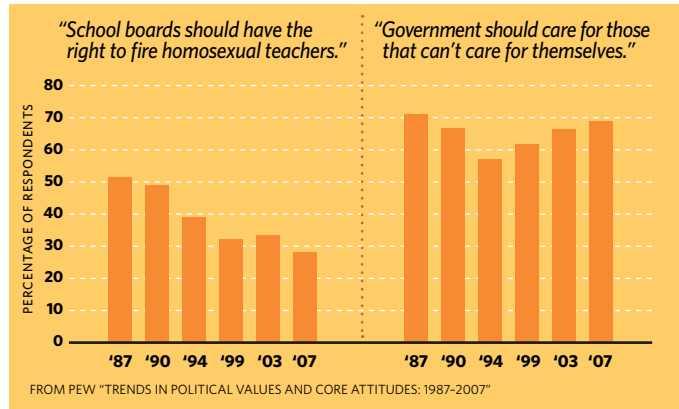
Restoring the credibility of government to lead, to deliver solutions for America's problems, is the major challenge facing progressives. Whether we can succeed on this critical measure will, in a large way, determine whether we are able to build a governing majority or even take control of the White House.

Here are five things that Democrats need to do if they want to restore faith in government and turn to their advantage the dangerous situation they find themselves in now:

- Resist the temptation to remain the protector and defender of the federal government. Instead, seize the mantle of change and accountability. Demand that government performs and produces results that improve people's everyday lives.

- Be real, stay authentic, say what you mean, and stand behind what you say and do. Perhaps the biggest reason

## Social conservatism is decreasing, while support for government programs is on the rise.



the public no longer trusts politicians is their depth of disgust for double-speak and for politicians hiding from their mistakes.

- Establish accountability as a core element in everything you propose by always including a specific set of performance measures. Voters will not, for a second, listen to what Democrats want to do on health care, education, or energy if you do not demonstrate that these proposals have tough accountability measures to ensure results.

- Advance a strong fiscal-accountability agenda to cut waste and make government more efficient and results-oriented. That includes auditing every federal department and agency to make sure funding is going to meaningful projects and to people, not the bureaucracy; eliminating no-bid contracts; creating an inspector general for Iraq to oversee U.S. spending there; and reducing energy costs by requiring all federal buildings to meet modern energy-efficiency regulations.

- Go much further on anti-corruption, ethics, and lobbying reform. Institute new whistle-blower legislation to protect government employees from retribution if they report waste or corruption. Create a permanent independent commission outside of Congress to investigate and enforce ethics rules for members of Congress and their staffs, rather than continuing to allow Congress to police itself.

**WE ARE ENTERING A NEW PERIOD SHAPED BY THE FAILURE OF THE conservative revolution, putting Democrats in a position to advance progressive ideas. Voters are abandoning conservative principles and are increasingly open to progressive values. Yet conservatives have created deep skepticism about government's capacity to solve the major problems that the country is facing. The future depends on progressives' capacity to overcome voters' distrust of government. Should we fail, the future may belong not to progressives, but to the next Ross Perot. **TAP****

**Stanley B. Greenberg** is Chairman and CEO of Greenberg Quinlan Rosner and a co-founder of Democracy Corps.

# Conservatism Itself

*Bush didn't fail because he betrayed conservatism. He failed because his administration was the most conservative of modern times.*

BY ROBERT BOROSAGE

“WE HAVE TO RECOGNIZE THAT THIS WAS A DEFEAT for Republicans, not for conservatives,” former House Speaker Newt Gingrich summarized the 2006 Republican election rout. Republicans, George Will echoed, “were punished not for pursuing but for forgetting conservatism.”

Conservatives now react to the debacle that is the Bush administration with two general strategies—denial and disavowal. Conservatives are cutting and running from George W. Bush, blaming him for straying from the conservative gospel, and invoking, by contrast, an iconic Ronald Reagan as exemplar of that faith.

But the spin won't cover the reality. Over the first six years of the Bush administration, conservatives largely had their way. With Bush and Karl Rove pursuing a political strategy of feeding their base, Tom DeLay ramrodding the conservative majority in the Congress, and the corporate lobby enforcing discipline, movement conservatives set the course of the country—with catastrophic results.

Each of the signature Bush follies—Iraq, Katrina, Enron, privatization of Social Security, the Terri Schiavo case, trickle-down economics that didn't trickle—can be traced directly to conservative ideas and the conservative think tanks and ideologues that championed them. In every case, conservatism failed, not simply because of corruption or incompetence, but because of original conception. Sensate conservatives have, in the words Irving Kristol once applied to liberals, “been mugged by reality.” Actual existing conservatism fails because it gets the world wrong. And invoking Reagan offers not salvation but confirmation of that failure, for Reagan championed many of the same ideas and inflicted similar debacles on the nation.

The war in Iraq was driven by the neoconservatives who lobbied for it long before September 11 or the Bush presidency. Infatuated with an America free to act as the lone hyperpower, they celebrated the imperial presidency and scorned the constraints that might be imposed by congressional debate, by our

allies, by the UN, by arms control and international law. Steeped in the Cold War face-off, they had neither understanding of nor much interest in the stateless fanatics that would strike on 9-11. Rogue nations—the “axis of evil”—made better targets. America would spread democracy at the end of smart bombs.

The result is the worst foreign policy fiasco in American history. The war the conservatives made will squander no one knows how many lives and an estimated \$2 trillion, demoralizing our military in an occupation in the midst of a civil war that alienates our allies, emboldens our enemies, and provides al-Qaeda and its offshoots with recruits across the Muslim world. The conservatives' scorn for international law led directly to the horrors of Abu Ghraib; the imperial presidency to the shame of Guantanamo.

Reagan's reign featured many of the same ideas, the same ideologues, with some of the same disastrous results. In his first term, he too championed U.S. military prowess, doubled the military budget, scorned arms control, the UN, and international law. Goaded by the neocons, he launched an illegal covert effort to overthrow Nicaragua's Sandinista government. His policies divided us from our allies. The blowback from his covert wars included bin Laden and what became al-Qaeda, which received U.S. training and aid in the covert war in Afghanistan. His imperial presidency ended in the Iran-Contra scandals, which paralyzed the last years of his second term.

Unlike Bush, however, Reagan ultimately had the sense to see beyond the neocons. When Soviet Premier Mikhail Gorbachev essentially sued for peace, neocons dismissed it as a trick, and conservatives railed at Reagan for entertaining the arms negotiations that led eventually to the end of the Cold War.

Reagan also knew when to cut his losses. When Marines he'd fecklessly dispatched into the midst of the Lebanese civil war were blown up in a terror bombing, he quickly got them out of there, distracting attention from the mess by invading hapless Grenada.

Under Bush, the corporate lobby dictates economic policies—top-end tax cuts, deregulation and privatization, corporate trade policies, the war on labor unions. The result is slow growth, Gilded Age inequality, the worst corporate wilding since the robber barons, stagnant wages for most, and growing pressures on kitchen-table basics. Bush's global trade policies have ravaged





American manufacturing, while producing the largest trade imbalances and foreign indebtedness in the annals of time.

But again, Reagan offers no salvation for conservatives. He championed a similar set of policies—what George Bush Sr. tabbed as “voodoo economics,”—promising top-end tax cuts, increases in military spending, and balanced budgets. In the process he helped produce the worst recession since the Great Depression, growing inequality, and record deficits. His trade policies laid waste to American manufacturing. His assault on labor and opposition to the minimum wage contributed to a decade in which wages stagnated while CEO salaries soared. Ten million Americans lost jobs to plant closings and layoffs from 1983 to 1988, with half of those who found work forced into jobs that paid less. And the recovery had been purchased on credit: It was during Reagan’s presidency that the United States was transformed from global creditor to the world’s greatest debtor nation.

Under Bush, the conservative belief that markets police themselves left corporations less accountable. This led directly to Enron and WorldCom, and literally hundreds of CEOs cooking their books, backdating stock options, and running up stock prices so they could cash out and clean up.

Again, Reagan provided precedent, not exception. His ruinous regulatory policies featured the deregulation of the savings and loan industry, producing the costliest financial scandal in U.S. history, with the bailout costing taxpayers more than \$130 billion.

Under Bush, the “small government” conservatives found ample opportunity to effect their scorn for government. Corporate lobbyists were appointed to disembowel the agencies tasked with policing their clients, enforcement budgets were cut, as were domestic programs aimed at the poor. What Rick Perlstein has

into our hospital rooms and out of the boardroom. Bush appealed to the fundamentalist right with a politics of polarization and pork. He cut short one of his many vacations to join the Republican Congress in intervening in Terri Schiavo’s personal tragedy. He banned federal support for stem cell research and doled out billions to fundamentalist church allies in his faith-based programs. The Federalist Society insured ideologues were appointed to the bench. And of course the specter of gay marriage was used to divide the country and mobilize the faithful.

Preferring doctrine to science had untold consequence. Not only was promising research starved of funds, but other nations captured the lead in what will be the growing biogenetic industries of the future. The right-wing judicial activists are just beginning their drive to roll back citizen rights and empower markets.

Reagan set the same course. He ended Republican support for choice, campaigned against equal rights for women, and perfected race-baiting politics, elevating the mythic Cadillac-driving welfare queen into a national symbol. He, too, packed the courts with ideologues. Conservatives now deify him as a man who brought us together, but his political strategy, a more sophisticated version of Richard Nixon’s, was quite purposefully designed to drive us apart.

The problem isn’t incompetence or deviation from the conservative course. The problem is actual existing conservatism itself. It celebrates military prowess when the threats to our security—stateless terrorists, catastrophic climate change, proliferation of weapons of mass destruction, the growing gulf between rich and poor—have no military

## Reagan’s and Bush’s reigns feature many of the same ideas, with some of the same disastrous results.

dubbed “*e. coli* conservatism” led to poisonous and uninspected food; denial of catastrophic climate change; and the weakening of workplace, consumer, and environmental protections.

Katrina was their signature catastrophe. Before Bush even got to office, conservatives scorned FEMA as a bloated entitlement agency. So Bush cut its budget, booted it out of the Cabinet, and stocked it full of cronies. The professionals departed in dismay. The incompetence and cronyism personified by “Brownie, you’re doing a heck of a job” was a direct expression of the conservative disdain for the government they were running.

Reagan’s scorn for government also had predictable effects. As his chronicler, Lou Cannon, writes, “Reagan thought so little of government that he did not think enough about it.” The Department of Housing and Urban Development led the scandals, “enveloped,” as a unanimous House Government Operations Committee reported, “by influence peddling, favoritism, greed, fraud, embezzlement and theft.” By the end of Reagan’s terms, 138 administration officials had been convicted, indicted, or subjected to official investigations for official misconduct and/or criminal violation—more than in any prior administration.

Under Bush, social conservatives pushed to get government

solution. It offers no answer to a corporate sector shredding the private social contract that guaranteed many workers healthcare, pensions, job security, and family wages. It opposes the very reforms vital for our economic future—the transition to clean energy and conservation, support of a world-class education system, and provision of affordable health care and retirement security.

After a quarter century of conservative dominance—from Reagan to Gingrich to Bush and DeLay—the verdict is in. Conservatives cannot be trusted to guide the government they scorn. Not because they are incompetent or corrupt (although incompetence and corruption abound), but because they get the world wrong. Their policies foster an America that is weaker and more isolated abroad, divided and more unequal at home. That was as true for Ronald Reagan, who helped give birth to this conservative era, as for George Bush, whose failed presidency should bury it. **TAP**

**Robert Borosage** is co-director of the Campaign for America’s Future, now sponsoring *The Big Con*, a web page detailing the failures of conservatism, at [www.ourfuture.org/thebigcon](http://www.ourfuture.org/thebigcon).



# My Marty Peretz Problem—And Ours

*He bought The New Republic in 1974 and sold it this February. In between, he transformed America's most influential liberal weekly: Today, it is no longer as influential, or liberal, or even weekly.*

BY ERIC ALTERMAN

**A** MAGAZINE," A FRIEND ONCE OBSERVED TO ME over too many glasses of wine, "is by definition a problem." But like Tolstoy's unhappy families, each magazine is its own peculiar problem. And for the past 34 years, the name of *The New Republic's* problem has been "Martin H. Peretz."

My Marty Peretz problem—and ours, if you happen to care about the respective fates of American liberalism, Judaism, or journalism—is nothing if not complicated. When, in early 2007, Peretz finished what he had begun five years earlier, selling off what had long been America's most influential independent liberal weekly magazine, *TNR* was no longer any of these things. Now owned by the Canadian CanWest corporation, the magazine was obviously no longer independent—in fact, it was the first time in the magazine's history it was not owned by someone married to a wealthy heiress (or his widow or descendants). Nor, with the sale to CanWest, was it any longer weekly, the frequency it had maintained since its founding in 1914. As for *TNR's* influence, such a thing is not easy to measure. But circulation is. *TNR's* 60,000 or so readers today are barely more than half of what the magazine enjoyed in its heyday. Hence the sale.

And whether *TNR* can still sensibly be called liberal—well, that's another long and complicated story, one that I intend to address in the pages that follow.

What's more, during his reign, Peretz has also done lasting damage to the cause of American liberalism. By turning *TNR* into a kind of ideological police dog, Peretz enjoyed the ability—at least for a while—to play a key role in defining the borders of "responsible" liberal discourse, thereby tarring anyone who disagreed as irresponsible or untrustworthy. But he did so on the basis of a politics simultaneously so narrow and idiosyncratic—in thrall almost entirely to an Israel-centric neoconservatism—that it's difficult to understand how the magazine's politics might be considered liberal anymore. Ironically Peretz's stance ultimately turned out to be not only out of step with most liberals but also most American Jews, who consistently cling to views far more dovish, both on Israel and on U.S. foreign policy generally, than those espoused in *TNR*.

It is a sad but true fact of American political life that liberals

rarely exercise so much influence as when they happen to be endorsing conservative causes, and this temptation has proven consistently irresistible to Peretz and his magazine. *TNR* under Peretz has been a vehicle that proved extremely helpful to Ronald Reagan's wars in Central America and George Bush's war in Iraq. It provided seminal service to Newt Gingrich's and William Kristol's efforts to kill the Clinton plan for universal health care and offered intellectual legitimacy to Charles Murray's efforts to portray black people as intellectually inferior to whites. As for liberal causes, however ... well, not so much.

But the final irony that must also be mentioned when discussing the legacy of Peretz's control of the magazine is the fact of the magazine itself. And I think any honest reader would be forced to admit that for many if not most of these years, *The New Republic* was, despite everything, a truly terrific little magazine. Frank Mankiewicz once famously quipped that Peretz had turned *TNR* into "a Jewish *Commentary*." This was funny but also unfair. Unlike *Commentary* editor Norman Podhoretz, Peretz believed that his magazine should include the views of people with whom he disagrees. And for longer than one could have imagined—due in large measure to the editorial talents of Michael Kinsley and Hendrik Hertzberg at the front of the magazine and Leon Wieseltier in the back, coupled with the writing talents of more youngish and underpaid liberal journalists than one can comfortably name in one sentence—this gave *TNR* a political frisson entirely absent from more monochromatic political magazines of both the left and right. It was alive with passion for politics and literature and peopled by some of the most talented writers and thinkers to grace any masthead, anytime, anywhere. While Wieseltier alone has remained, steadily steering the back of the ship as the front veers from war to war, controversy to controversy, many of the rest of *TNR's* alumni have gone on to shape American journalism for better and worse from more remunerative perches at *The New Yorker*, *Time*, *Harper's*, and *The Atlantic*, and many of the nation's (remaining) great newspapers.

**FOUNDED IN 1914 BY WILLARD STRAIGHT, HERBERT CROLY, WALTER Lippmann, and others, *The New Republic* was quietly coasting along when Marty Peretz bought the magazine in 1974 from**



**Ahab at the Helm:** Marty Peretz (in his office at *The New Republic* in 1985), whose obsession steered his magazine dangerously off-course

Gilbert Harrison with \$380,000 garnered from the wealth of his wife, Anne Labouisse Farnsworth, heir to one of the great fortunes created by the Singer Sewing Machine company. Peretz was raised in a lower middle-class, Yiddishist household in the Bronx and attended the Bronx High School of Science before going on to Brandeis in its Jewish intellectual glory years. It was a heady time, when the likes of Max Lerner, Irving Howe, and Abe Maslow, were taking the arguments that had typically been conducted inside the brittle pages of *Partisan Review*, *Commentary*, and *The New Leader* into the academy and the wider world. After college Peretz completed his doctorate at Harvard, where he developed a reputation for staging “celebrity parties.” (Todd Gitlin says he remembers one for Shelley Winters.)

Peretz and Farnsworth married in June 1967—coincidentally, the same month that the Six Day War transformed not only the Middle East but also American liberalism and American Jewry. For the left, the war’s legacy became a point of painful contention—as many liberals and leftists increasingly viewed Israel as having traded its David status for a new role as an oppressive, occupying Goliath. For many American Jews, however, most of whom previously kept their emotional distance from Israel, the emotional commitment to Israel became so central that it came to define their ethnic, even religious, identities. For Marty Peretz, who had been supporting various New Left causes, these two competing phenomena came to a head in September of that year when a “New Politics” convention that he largely funded collapsed amid a storm of acrimonious accusation, much of it inspired by arguments over Israel. The Black Caucus rammed

though a resolution condemning the “imperialistic Zionist war,” though its members later rescinded the resolution. (What’s more, they charged their Palmer House steaks and liquor bills to one Marty Peretz.)

The next major Peretz-Farnsworth investment would be in the 1968 Eugene McCarthy presidential campaign, to which the couple was the single largest contributor, with at least \$350,000 in donations. Personally and politically devastated by the campaign’s collapse, and increasingly alienated from the mushrooming anti-Zionism of much of the new left, Peretz needed something new for him—and his money—to do; something in which he could express both his leftist politics and his love of Israel. Enter Gilbert Harrison.

By the late 1960s, *TNR* had long since lost its cachet as the voice of re-invigorated liberalism—a cachet that was perhaps best illustrated when the dashing, young President Kennedy had been photographed boarding Air Force One holding a copy. When he sold the magazine to Peretz, Harrison believed he had secured Peretz’s promise to let him continue to run the magazine for three years. This plan quickly foundered, however, when Peretz got tired of reading rejection notices for articles he hoped to publish in the magazine at the same time he was covering its losses. Soon Harrison’s Queen Anne desk and his John Marin paintings were moved out of the editor’s office. Much of the staff, which then included Walter Pincus, Stanley Karnow, and Doris Grumbach, was either fired or chose to resign. The staffers were largely replaced by young men fresh out of Harvard, with plenty of talent but few journalistic credentials and little sense of the magazine’s place in the history of liberalism.



**L**ET'S START OFF WITH THE PLUS COLUMN: "TRY, TRY very hard not to hire anybody who isn't smarter than you, and wiser," Peretz says he promised himself. In this, he notes, he succeeded. He might have added "and more liberal." For in the days when the neoliberal Kinsley and old-fashioned social democrat Hertzberg traded off the magazine's editorship, literary and political giants did indeed walk the *TNR* hallways. Just 28 and still in law school when he initially took over the magazine, Kinsley's contrarian nature and inimitable example would prod not only *The New Republic* but an entire generation of pundits in the direction of Mickey Kaus/Jacob Weisberg-style smart-ass neoliberalism.

With Hertzberg's eloquently bleeding heart offsetting Kinsley's merciless head, the magazine prose often sparkled, and the back-and-forth proved genuinely exciting. The magazine unarguably set the terms of debate for insider political elites during the Reagan era—with Charles Krauthammer charging from the right, backed up by right-wing pooper-scooper (then as now) Fred Barnes attacking liberals; and clueless Morton Kondracke offering up conventional wisdom from every direction at once; responded to by the politically no less polymorphous but intellectually far more engaging Mickey Kaus firing in all directions from the middle; and with Kinsley and Hertzberg, bolstered by a revolving crew of heavy-hitters like Sidney Blumenthal, Robert Kuttner, Ronald Steel, Michael Walzer, and Irving Howe answering from the liberal left. What's more, Leon Wieseltier—whom Peretz discovered laboring in the vines of Harvard's Society of Fellows—created a book review section so simultaneously erudite and zestful it probably stands as Peretz's single most significant positive achievement. Amazingly, a full generation later, it still sings.

But for all of the literary pyrotechnics that proved so attractive and influential to so many young writers, it was its purposeful political shift that made *The New Republic* important again in the real world of power politics. This was the period in which *Vanity Fair* instructed its readers not to be without "the smartest, most impudent weekly in the country," and the "most entertaining and intellectually agile magazine in the country." Perhaps for the first time in its etymological evolution, the word "schizophrenic" became a term of admiration—even adoration—for *The New Republic* of the 1980s.

Conservatives were particularly enamored of hearing their views in what had, just recently, been their adversary's mouth. Norman Podhoretz termed *TNR* "indispensable." George Will referred to it as "currently the nation's most interesting and most important political journal." *National Review* thought it "one of the most interesting magazines in the United States." The Reagan White House had 20 copies messengered every Thursday afternoon. And no wonder. Nothing gave conservatives more pleasure than to begin an argument, or a speech, or, oftentimes, a joke with the words, "Even *The New Republic* agrees ..." For those liberals who refused to come along for the ride—who continued to pay heed to old-fashioned ideas like the primacy of diplomacy, human rights, and fair elections—well, history,

according to Krauthammer-authored editorials, would prove that they had made "Central America safe for Communism." They could whine in *The Nation* or hold candlelight vigils with Central American nuns, whatever. History, argued the *TNR* neocons, had left them behind, and that was that. But by insisting on its liberal bonafides while endorsing conservative causes, *TNR* offered the Reaganites badly needed intellectual cachet, as then-editor Hertzberg regretfully admitted in the early '90s.

This formula continued to work through much of the '80s, even as the magazine's editors attacked its editorial policies. But when Kinsley left to found *Slate* and Hertzberg settled back into his earlier home at *The New Yorker*, the formula began to flounder. The first failed experience came in the form of then-28-year-old 'gayCatholicTory and GAP model' (as his magazine profiles characteristically termed him) Andrew Sullivan, whom Peretz chose in 1991. Under Sullivan the magazine continued to make news, just not in a good way.

The way Peretz describes it, "Andrew Sullivan brought a big dose of cultural originality to the journal." Unfortunately for the magazine during this period, *TNR* became better known for the scandals it created rather than those upon which it reported. There was young Ruth Shalit's serial plagiarism problem. Upon discovering her transgressions, Sullivan compounded that problem by placing a young man named Stephen Glass—later to be unmasked as a compulsive fabulist—in charge of fact-checking. Ideologically Sullivan tossed aside what remained of

## *The New Republic* under Peretz has been a vehicle that proved extremely helpful to Reagan's wars in Central America and Bush's war in Iraq.

the magazine's commitment to liberalism—its domestic policy. Most egregiously, he invited Charles Murray to offer his mixture of racist fear-mongering and pseudoscience in a cover story of more than 10,000 words that argued that blacks were just plain dumber than whites. Sullivan's signature writer turned out to be Camille Paglia, who termed the then-First Lady, "Hillary the man-woman and bitch goddess." And in what would turn out to be the single most influential article published in the magazine during the entire Clinton presidency, Sullivan published a dishonest, misinformed takedown of the president's proposed health care plan by a formerly obscure right-wing think-tank denizen named Elizabeth McCaughey.

In 1996 Peretz chose as Sullivan's replacement the reporter Michael Kelly, who brought to the job of editing what was still considered America's most influential liberal magazine an unequalled animus toward liberals of all stripes, and an obsessive hatred of Bill Clinton in particular. In his inaugural "TRB" column, written shortly after that year's presidential election, the editor of America's most important liberal magazine declared that liberalism had become an "ideology of self-styled saints; a philosophy of determined perversity. Its animating impulse is

to marginalize itself and then to enjoy its own company. And to make it as unattractive to as many as possible: if it were a person, it would pierce its tongue.” Each week Kelly found something in Clinton’s character even more revolting than he’d found the week past. This was naturally a problem for a magazine perceived to be liberal but even more of a problem for Peretz, given the damage it was doing to the presidential ambitions of Al Gore, his onetime Harvard student to whom he remained devoted. Eventually it all became too much, and Kelly—who was later killed reporting on the American invasion of Iraq—had to go, too.

Peretz then promoted editor Chuck Lane to replace Kelly and deal with the explosion of anger and derision caused by the exposure of Stephen Glass’ defamatory lies. Peretz writes that Lane “put the ship back on its course, for which he was ‘immensely grateful.’” Back then, however, he showed his gratitude by firing Lane without bothering to tell him. The 28-year-old Peter Beinart was given the keys to the editor’s office, and Lane got the news from a *Washington Post* reporter who called to inquire about his future plans.

Beinart, though lacking Peretz’s obsessiveness with regard to critics of Israel, asserted, with his patron, that the only true liberals were those who embraced the neoconservatives’ Middle East policies, most especially their relentless drumbeat for the invasion of Iraq. Those who disagreed were naive at best, and anti-American in effect if not in intent. As the magazine’s signal foreign policy voice, *TNR* editors chose Lawrence Kaplan, who echoed almost entirely the views espoused by his sometime-writing partner, William Kristol at *The Weekly Standard*. Their point was not merely to make the neoconservative case, but also to undercut the legitimacy of the liberal opposition. Never mind that some of the best arguments against Bush’s war could be found in the reporting of *TNR*’s own John Judis and Spencer Ackerman. The magazine’s editorial voice treated those who took these arguments to their logical conclusions as dupes, naifs, and, in the words of *TNR* senior editor (now “TRB” columnist) Jonathan Chait, “deluded by the hope that they can have multilateralism and disarmament without the risk of war.”

Later, when the war had plainly become a debacle, Chait would admit his mistake, and, with almost poetic beauty, Beinart would write an apology for his wrong-headedness about the war. But as former *American Prospect* editor Mike Tomasky pointed out in a *TAP* piece, Beinart’s words of regret read, “as if he’d spent [the run-up to and the first years of the war] on a mountaintop in Tibet instead of editing an influential magazine and cheering on the administration virtually every step of the way—and accusing war critics, not all of whom (news flash: not even a majority of whom) are anti-imperialist Chomskyites, of ‘intellectual incoherence’ and ‘abject pacifism.’”

*TNR* was not simply wrong about Iraq, it was viciously, nastily wrong. Take a look, for instance, at its treatment of Colin Powell, whom its editors deemed to be insufficiently excited about Donald Rumsfeld’s invasion plans. When Powell spoke of the need to find a solution so that Israelis and Palestinians could live in peace, the magazine’s editors treated the former general as if he were an underprepared affirmative-action student in a cut-throat Harvard seminar. The editors found “the banality of Colin

Powell’s address on American foreign policy” to be “breathtaking.” The magazine went so far as to accuse Powell of providing “a kind of bizarre ratification of Osama bin Laden’s view of the problem.” Why? “There is bin Laden attempting to persuade the Muslim world that what he wants is justice for the Palestinians, and here is Powell attempting to persuade the Muslim world that what he wants is justice for the Palestinians.” Even to appear to care about “justice for the Palestinians” in *TNR* World was to give aid and comfort to the terrorist bin Laden.

Beinart left the job last year, and his replacement, Franklin Foer, has made a point of trying to repair the magazine’s reputation among liberals. His first editorial apologized for the magazine’s role in helping to destroy the Clinton health care program. He told reporters: “We’ve become more liberal ... We’ve been encouraging Democrats to dream big again on the environment and economics,” and insists that the question mark that once addressed the question of “Were we wrong?” when it came to the magazine’s support for Bush’s Iraq invasion is now gone.

**NOTHING HAS BEEN AS CONSISTENT ABOUT THE PAST 34 YEARS OF *TNR*** as the magazine’s devotion to Peretz’s own understanding of what is good for Israel. It would be theoretically possible, I imagine, to overstate the centrality of Peretz’s obsession with the Arab-Israeli conflict to the magazine’s politics and to its editorial voice. But take a look at some of the conservatives who’ve been welcomed into the magazine’s pages over the years: Jeane Kirkpatrick, Joshua Muravchik, Eric Breindel, Jacob Heilbrunn, Charles Murray, Irving Kristol, Ed Luttwak, Michael Ledeen, Ronald Radosh, Robert Kagan, and, of course, Barnes, Krauthammer, and Kaplan. It would be odd for a liberal magazine to carry pieces by any of these writers, much less all of them. Could their inclusion possibly be related to the fact that each one of them is closely associated with support for the hawkish Peretzian position on Israel?

Liberals who don’t share Peretz’s hawkishness on matters Israeli, by contrast, are regularly—indeed, obsessively—the objects of Peretz’s ire and contempt. Here is just a tiny snippet of his daily musings from his *TNR* blog, “The Spine”:

■ “Zbigniew Brzezinski, an admirer of the Walt-Mearsheimer protocols of the Jewish Lobby ... so marginalized that even the Johns Hopkins School for Advanced International Studies refused to give him a real professorship.” [In fact, the SAIS Web site lists Brzezinski as a “professor of American foreign policy.”]

■ “Anthony Lake who ... had a curious soft-spot for the Khmer Rouge.”

■ “Where are the olive branchers now? James Baker? Lee Hamilton? Jimmy Carter? What a stupid bunch!”

■ “The truth is that no one has ever really cared about the lives of Africans in Africa unless those lives are taken out by whites. No one has cared, not even African Americans like [Jesse] Jackson and [Susan] Rice [the Clinton administration’s assistant secretary of state for African affairs]. Frankly—I have not a scintilla of evidence for this but I do have my instincts and my grasp of his corrupt-

ibility—I suspect that Jackson was let in on the diamond trade or some other smarmy commerce.”

It is really not too much to say that almost all of Peretz’s political beliefs are subordinate to his commitment to Israel’s best interests, and these interests as Peretz defines them almost always involve more war. Ask yourself: Have you ever—ever—read an editorial in *The New Republic* that does not take the Israeli government’s side in a dispute? Was Israel wrong to invade Lebanon in 1982? Did it use excessive force during the first or second intifadas? Was it really so smart to destroy Yasir Arafat’s encampment while he was inside it? Was last year’s invasion of Lebanon a mistake? Was the use of cluster bombs in civilian areas morally unimpeachable? Is it possible that Israel’s leaders—unlike every set of leaders that have ever ruled any nation—are always right? And is it possible that for the first time in history, two nations—one, a tiny, beleaguered state in the Middle East, surrounded by hostile countries, the other, a North American superpower, unmenaced on its borders and surrounded by friendly neighbors—just happen to have interests that are identical in absolutely every situation?

Peretz insists that, yes, the interests of Israel and the United States are indeed identical. “Support for Israel,” he claims, “is deep down, an expression of America’s best view of itself.” Which begs the question of just what “support” entails. For Peretz it has clearly meant support both for the Iraq war and, now, for yet another war against Iran. In a February 5, 2007, cover story entitled “Israel’s Worst Nightmare,” Israeli writers Yossi Klein Halevi and Michael B. Oren failed even to mention America’s interest in going to war against Iran; they made their case purely on the basis of an allegedly existential and unavoidable threat to Israel.

But regarding such U.S. adventurism, American Jews remain far more dovish than almost any other racial or ethnic group. According to a February 2007 Gallup Organization press release, “An analysis of Gallup Poll data collected since the beginning of 2005 finds that among the major religious groups in the United States, Jewish Americans are the most strongly opposed to the Iraq war.” Similarly, a poll recently released by the American Jewish Committee found that only 38 percent of American Jews support American military action against Iran. *TNR*, meanwhile, has been consistently beating the drums of war.

I have gotten this far and not even gotten to the topic that usually comes up in discussions of Peretz of late, which is his obsessive and unapologetic hatred of Arabs, the evidence of which is visible nearly every day on Peretz’s “The Spine.” Here are just a few of the choice descriptions Peretz has had occasion to employ in his magazine about assorted Arabs, whether Palestinian, Iraqi, or of the generic variety: They are “violent, fratricidal, unreliable, primitive and crazed ... barbarian”; they have created a “wretched society” and are “cruel, belligerent, intolerant, fearing”; they are “murderous and grotesque” and “can’t even run a post office”; their societies “have gone bonkers over jihad” and they are “feigning outrage when they protest what they call American (or Israeli) atrocities”; they “behave like lemmings,” and “are not shocked at all by what in truth must seem to them not atrocious at all”; and to top it all off, their rugs are not

as “subtle” and are more “glimmery” than those of the Berbers.

Trust me, I could go on. As the blogger Glenn Greenwald has pointed out, Peretz’s blog is “basically a museum for every anti-Arab/Muslim stereotype and caricature that exists.” Nevertheless, as the *Prospect*’s Ezra Klein blogged, “Peretz is rarely held to account, largely because there’s an odd, tacit understanding that he’s a cartoonish character and everyone knows it.”

**M**Y MARTY PROBLEM—AND OURS—IS JUST THIS: By pretending to speak as a liberal but simultaneously endorsing the central crusades of the right, he has enlisted *The New Republic* in the service of a ruinous neoconservative doctrine, as the magazine sneered at those liberals who stood firm in the face of its insults. He has done so, moreover, in support of a blinkered and narrow view of Israeli security that, again, celebrates hawks and demonizes doves. Had the United States or even Israel followed the policies advocated by those genuine liberals whom *TNR* routinely slandered, much of the horror of the past four years would have been happily avoided—as most of its editors (but not Peretz) now admit. At the same time, the hard work of coming up with a genuinely liberal alternative to the neoconservative foreign-policy nightmare, an alternative to which *TNR* might have usefully contributed, remains not merely undone but undermined in the pages of the magazine.

If the sale of *TNR* had meant liberating liberalism from the burden of Peretz’s myriad obsessions and insinuations, *TNR*’s loss of its independence might have been liberalism’s gain. Alas, as Peretz himself has pointed out, the Asper family, which controls CanWest, happens to share these exact obsessions, right up to the point of censoring its newspapers’ coverage of the Middle East conflict and replacing the word “Palestinian” with the word “terrorist” when it suits the owners’ purposes. Peretz will no longer be incurring *TNR*’s losses, but he will remain the Aspers’ man at the helm. However much Frank Foer sincerely seeks to recapture the liberalism of the magazine’s storied past, Peretz’s continued presence will likely continue to push it in a rightward direction.

As a bi-weekly publication on politics and culture, with a lively Web site, *The New Republic* will remain a welcome presence in the mailbox and on the newsstand. As a political force, however, its influence will likely continue to wane. Unwelcomed by the netroots who distrust its editorial policy and see no reason why they should make special dispensations for Peretz’s racism, it will never be as influential in the blogosphere as, say, Josh Marshall’s Talking Points Memo. And while Wieseltier’s back of the book will remain a powerful force in the republic of letters, the work of the magazine’s writers will simply rise and fall on their own merit rather than because they were published in a magazine that was once America’s most influential independent liberal weekly.

Perhaps a commenter named “Petey” on Ezra Klein’s Web site put the point most succinctly: “Peretz is batshit crazy. *TNR* produces a lot of good stuff. Such are the ironies of life.” **TAP**

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# What Hedge Funds Risk

*Increasingly, everyone's money—that's what. Nobody rides herd on these unregulated investment funds, which now manage a tidy \$1.5 trillion.*

BY BARBARA T. DREYFUSS

**B**RIAN HUNTER THINKS HE KNOWS SOMETHING ABOUT hedge fund investing. The 33-year-old Canadian energy trader is starting his own firm and reportedly has already raised nearly \$1 billion for the endeavor. No matter that Hunter was largely responsible for risky natural gas investments, which last September lost more than \$6 billion for his then-employer, Amaranth Advisors, one of the largest hedge funds, causing it to collapse. No matter that the San Diego County pension fund is suing him for \$150 million of the \$175 million they invested with Amaranth, saying Hunter failed to deliver the diversified and risk-controlled investment strategy he had promised. No matter that a Senate committee is investigating manipulation of the natural gas futures market related to Hunter's investments.

Hunter's investment strategies were already being questioned when he went to Amaranth in 2004, embroiled in lawsuits with his former employer, Deutsche Bank. But because hedge funds operate in the shadows, with scant regulation of their investments or the information they give investors, there's little to keep Hunter from continuing to recklessly invest other people's money.

Hunter can maintain his career because hedge funds are money managers that make enormously risky investments but are nonetheless virtually unregulated. Once, hedge fund investors were limited to the very rich, and few political leaders were concerned about what they did. But there's a new urgency for reform now because that is no longer the case. Increasingly, pension funds, school endowments, and charities in pursuit of easy money are turning to these investments and potentially putting their funds in jeopardy. Currently, about 20 percent of pensions invest in hedge funds. Although, on average, they invest about 5 percent of assets, some invest much more. And a law signed by President Bush last summer makes pension investment in hedge funds even easier. At the same time, nearly two-thirds of endowments, including university and charitable organizations, invest through hedge funds, allocating an average of 18 percent of their invested assets. A Bank of New York study estimated that by the end of the decade, institutions, including pension funds, would account for about one-third of new money to hedge funds.

Even the viability of corporations is being put at risk by hedge fund managers' demands that they allocate money to sharehold-

ers, rather than invest for long-term growth of the company's plant, equipment, and workforce. And regulators worry, too, that if a large enough hedge fund abruptly collapses, it could broadly destabilize financial markets.

This relatively sudden expansion is receiving new scrutiny on Capitol Hill, in state legislatures, and from international economic organizations. Pressed by German officials, members of the Group of Eight nations held two meetings on hedge funds so far this year, and International Monetary Fund officials have been publicly raising an alarm. On Capitol Hill, just a few months after he took over the House Financial Services Committee in January, Democratic Representative Barney Frank launched a series of hearings on hedge funds. "Many of us are concerned about the effect on workers and employers," warned the congressman at his March hearing.

In the Senate, Finance Committee member Charles Grassley, a Republican, after failing by amendment to empower the Securities and Exchange Commission (SEC) to oversee hedge funds, formally introduced legislation to do so in May. In Connecticut, home to many hedge funds, state Attorney General Richard Blumenthal warned that "hedge funds remain a regulatory black hole." He has been working with state legislators to get better visibility into their activities.

There are, however, significant obstacles to reform, not least of which are the millions of dollars that hedge fund managers contribute to political campaigns, including those of nearly every presidential candidate in the 2008 race. The question is whether the cowboys of Wall Street can be reined in before innocent people get hurt.

**IRONICALLY, HEDGE FUNDS WERE CONCEIVED AS A WAY FOR INVESTORS** to protect their money by "hedging" the risks of long-term stock investments. Unlike mutual funds, which only invested in stocks and bonds and made money only when prices rose, hedge funds were able to invest in ways that could make money if stock, bond, commodity, and currency prices fell. So they were careful about balancing investments and not exposing clients too much to one investment strategy.

While a few hedge funds existed earlier, they took off in the 1970s and 1980s because new investment opportunities were

created in world currencies and in the futures and options markets, which opened up commodity trading and allowed leveraged investing. Investors could make big bets, magnifying their potential wins (or losses), while only putting down a little money.

This was the time of legendary commodity and currency traders such as George Soros, Bruce Kovner, Julian Robertson, and of enormous hedge fund profits, ranging from 50 percent to 100 percent. These traders were very good at making money for their investors, and many wealthy people sought them out. They were so good that investors were willing to give them 20 percent of profits, along with 2 percent fees. John Makin, a scholar at the American Enterprise Institute and a principal at a major hedge fund, Caxton Associates, told a forum two years ago that “in the first 10 years of the industry, they were all superb risk managers.”

Hedge funds were allowed to be exempt from the securities laws regulating mutual funds because their clients were limited to the very wealthy: Only people with a net worth of more than \$1 million or with \$200,000 in income could buy in. Rich investors were considered sophisticated enough to evaluate their managers. And if they lost money, nobody was too worried. In the 1980s, the largest hedge funds managed several hundred million dollars. They had a limited number of investors, and were concerned with building long-term relationships with them. Due to their successes, the number and size of these funds grew dramatically, and by the early 1990s the largest managed more than a billion dollars.

But success created problems. As more and more hedge funds were set up, there were not enough stellar managers who could earn returns of 50 percent or more. And as the hedge funds received more money to manage, there was just too much money chasing too few opportunities. In the late 1990s, some funds actually reduced their size, returning money to investors.

The problems of low-performing managers and too much money under management grew worse in the early 2000s as the stock market bubble—and stocks such as Enron’s—collapsed. With mutual fund earnings tanking, individual investors, pension funds, and endowments started pulling out of them, looking for better returns. Money poured into hedge funds and new ones popped up everywhere. In 1990 there were 610 hedge funds trading in U.S. dollars, according to Chicago-based Hedge Fund Research (HFR). The number increased to 3,873 by 2000, and to 9,462 today. Assets grew as well, and today HFR says hedge funds manage nearly \$1.5 trillion. The top three hedge funds today manage more than \$30 billion each, and at least a dozen have more than \$10 billion in assets.

Many of the new funds were started by former mutual fund managers whose funds and salaries had collapsed, and many of these managers were unprepared for the fast-moving and complex world of hedge fund management. This inexperience,

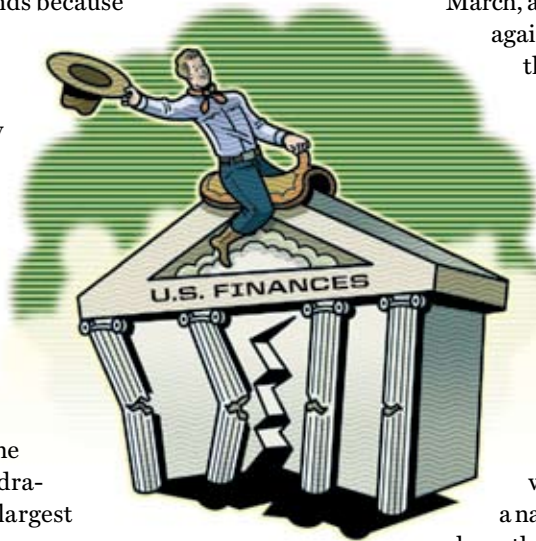
coupled with enormous growth in the assets of hedge funds, set the stage for many of the problems that are surfacing today. Hedge fund managers are under pressure to replicate the huge returns of the 1980s, but today’s conditions mean that is very difficult. This has led many of them to try riskier ways of making money. Hedge fund managers, under pressure from their clients, watch returns “daily, even hourly,” says Jeff Wiggins, a recently retired money manager who worked for pension funds, a hedge fund, and a mutual fund. If they see losses, they “have an incentive to take on higher risk to get into the black.”

Many hedge funds have abandoned hedging altogether because it eats up some of their returns. They are branching out into many areas and trying to be experts in all of them. “Hedge funds no longer focus mainly on stocks, bonds, and currencies,” longtime hedge fund manager Jeffrey Matthews told a House hearing in March, adding that many no longer actually hedge against market declines. Instead, he warned, they have “branched into subprime debt, distressed securities, real estate, uranium ore, and even grain sales”—areas that are more complex, and in some cases more inherently risky, than more traditional investments.

Fund managers are also willing to take big risks since they don’t lose money themselves if their investments tank. Under the current system, they get 20 percent of any earnings, but pay nothing if their investments fail. It is only their clients who lose. “If a hedge fund manager racks up a nasty loss, he or she can just walk away ... and leave the losses to the clients,” says Wiggins. And so hedge funds are quick to come and go. Of about 40 firms one job-hunting manager says he interviewed with four years ago, none are in existence today. In 2005 there was an attrition rate of 11 percent, according to HFR. That year there were 8,661 funds; 2,073 were brand new and 848 closed up shop.

**THE FRENZY FOR RETURNS IS RAISING THE POSSIBILITY THAT HEDGE funds will do whatever it takes, including manipulating the market, to profit.** As officials of the British financial regulatory agency have warned, today’s hedge fund managers are “testing the boundaries of acceptable practice with respect to insider trading and market manipulation.”

Stock price manipulation by hedge funds has been rumored in corporate corridors for years. Hedge funds retorted that companies were just trying to prevent exposure of their problems. Indeed research done by hedge funds has helped expose corporate corruption, such as at Enron. But the frenetic Jim Cramer, who ran a major hedge fund, Cramer, Berkowitz & Co., for more than a dozen years, recently boasted publicly that market manipulation is indeed how the system works. In a December 2006 appearance on *Wall Street Confidential*, an Internet show that is part of his financial news, commentary, and video conglomerate, Cramer detailed how easy it is to manipulate stock prices.



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Suppose, said Cramer, his investments were tied to Apple's stock tanking, and suppose that stock began to rise. In such a case, he said, he would, "pick up the phone and call six trading desks" at brokerage houses and tell them people at Verizon were panning Apple. "That's a very effective way to keep a stock down," he chuckled. "I might also buy January puts"—stock options that anticipate a stock going down. This, said Cramer, creates an image that bad news is coming. And, he added, you then call investors and reinforce that image. "The way the market really works is you hit the nexus of the brokerage houses with a series of orders that can be leaked to the press, and you get it on CNBC, and then you have a vicious cycle down."

Today some corporations are so convinced that hedge funds are trying to destroy them they are going to court. Last July, Fairfax Financial Holdings, a large Canadian insurance company, filed a \$6 billion lawsuit charging that a group of hedge funds ran a vicious campaign to discredit the company and drive its stock price down in order to reap millions in profit. The lawsuit claims that the hedge funds sent emails and made phone calls to employees, investors, regulators, and the press implying that the CEO had embezzled church money, cooked the firm's books, and lied about the company's business successes, among other actions, to send the stock price down. Lawyers for the hedge funds refused to comment.

Two other companies, Biovail and Overstock.com, have filed lawsuits charging hedge funds with conspiring with independent research analysts to issue false reports that would drive down their stocks. The research company has denied this, as have the funds. But three employees of the research firm submitted sworn affidavits in the lawsuits giving support to the charges.

The independence of research companies may also get continued scrutiny, given that hedge funds are often the main buyers of their products. Even if they don't control what is written, hedge funds want inside information about when reports will be issued or what they might say, both of which can move stocks. One former hedge fund employee says she was urged to date investment analysts so she could learn such information.

There is also widespread worry that hedge funds are using their enormous clout with brokers and investment banks to get inside information about mutual fund trading activity. Hedge funds have become the most important clients of Wall Street brokers and bankers like Merrill Lynch, Bear Stearns, and Morgan Stanley. When they trade their \$1.5 trillion in assets, they pay these banks and brokers high fees, usually much higher than mutual funds. Hedge funds account for about 30 percent of all stock trading. That means a lot of trading fees, plus more for the many other services the banks and brokers provide to them. "They are the biggest clients on Wall Street," says Stan Schiffman, who recently retired after 35 years working for brokerage houses as a senior institutional salesman. "Wall Street caters to these people." Last year SEC Commissioner Roel Campos, a former federal prosecutor appointed to a second term at the SEC by President Bush, warned that "broker-dealers may place the interest of hedge fund clients over the interest of other clients."

SEC chairman Christopher Cox told leaders of the SEC's regional offices in March that policing possible insider trading by hedge



funds would be a top regulatory priority for the agency over the next two years. The SEC is currently investigating reports that hedge funds get advance word from brokers about mutual fund trades. The investigation was prompted, in part, by the Investment Company Institute (ICI), which represents mutual funds. "A major concern of the Institute is the leakage of mutual fund trading information," says Ari Burstein, senior counsel of the ICI. "This is a critical issue for mutual funds and their 94 million shareholders." Brokerage firms and hedge funds have already paid hundreds of millions of dollars in fines over the last several years for unlawful joint activities in the purchase of mutual funds. Last year, for example, the SEC fined Bear Stearns Securities \$250 million for a pattern of illegal late trading of mutual funds over four years. An SEC official warned at a hedge fund conference two years ago that the agency had identified 400 hedge funds they believed were participants in these schemes.

Another major concern is that the huge growth in assets that hedge funds manage now allows many of them to buy enough shares of corporate stock to control even large corporations. The fear is they will seek radical changes that might bring them quick profits, but ruin the company. Campos recently warned that this activism raises the specter of "the corporate raider" of the 1980s. "Hedge funds may attempt any number of measures to extract the maximum financial benefit from their investment, including trying to force a sell-off of assets and restructuring remaining operations," he warned. "During the 1980s, this often meant plant closing, mass layoffs, demands for wage and benefit concessions from workers, and seizure of pension plan

## The number of funds has increased from 610 in 1990 to 9,462 today. The number of stellar managers has not kept pace.

assets. Despite the passage of time, the same concerns may be legitimate today." This concern is echoed by Ron Blackwell, the chief economist at the AFL-CIO. Hedge funds, he warns, may get huge returns on their investments in companies by "reorganizing them, often at a disadvantage to the people who work for them, or in some cases, to the survival of the company itself."

Recent events at Algoma Steel show there is reason to worry. The management and union at the Canadian company waged a long fight against demands by a hedge fund, Paulson & Co., which recently bought 19 percent of the company. Paulson, the largest shareholder, wanted an immediate return on its investment in the company, and demanded that Algoma distribute \$400 million Canadian of its cash reserves to shareholders. Paulson also wanted to replace Algoma's board because it had rebuffed earlier efforts for a payout. Company management refused, saying steel and raw material prices were fluctuating and the money might be needed if prices went up. The United Steelworkers union argued the money should be used to pay for a needed blast furnace upgrade, to meet pension benefit and debt obligations, and to ensure the long-term viability of the company. But the continued demands from the hedge fund finally

forced the company to cave, though they were able to reduce the payout to shareholders to half of the original demand.

**A**LTHOUGH WORLD LEADERS, INTERNATIONAL AND U.S. regulators, and members of Congress are all raising concerns about hedge funds, regulatory oversight is not likely to happen soon. On the international front, German efforts to implement greater oversight of hedge funds have been met with resistance from U.S. and British officials. Domestically, the modest effort two years ago by the SEC, under its previous chairman, to require funds to register with the commission and to keep auditable records, was struck down by an appeals court last year, prompting Grassley's recent legislative efforts. While Barney Frank has taken up the issue in the House, it is not yet clear how far he wants to go or what support he will get. A recent report by a presidential advisory group, headed by the Treasury Secretary, concluded that the current oversight structure was adequate.

So far, there is little indication that things will change in the next administration, given the support hedge fund managers are giving to presidential aspirants of both parties. Democratic hopefuls, including Hillary Clinton, Barack Obama, Christopher Dodd, and John Edwards, as well as Republican hopefuls Rudolph Giuliani, John McCain, and Mitt Romney, have all raised tens of thousands of dollars from hedge funds. Clinton, Giuliani, and Obama all count hedge fund executives as important fund raisers for them. Giuliani considers Paul Singer, founder of the \$7 billion hedge fund Elliott Associates, a major policy adviser. Edwards

worked for a year as an adviser to the hedge fund company Fortress Investments, but quit when he launched his presidential bid. So far there is little talk among the candidates about hedge funds, except how much they will contribute to campaigns.

In 1929 stock manipulation, insider trading schemes, and massive speculative investments, brought down Wall Street and led to the Great Depression. But it was only after the damage was done that these schemes came to light. In 1933, after the election of a Democratic president, Franklin Delano Roosevelt, and a Democratic Senate, a stalled investigation into what had happened came to life. The findings of the investigation, dubbed the Pecora Commission after commission leader and Senate Banking Committee chief counsel Ferdinand Pecora, shocked the country and led to the securities laws that oversaw most of Wall Street's activities.

Oversaw most of Wall Street, that is, until now. Today a huge chunk of Wall Street's assets and much of its activities are once again shrouded in secrecy and unregulated. In his memoirs, Pecora wrote that the Wall Street schemes that led to the 1929 collapse could "not long have survived the fierce light of publicity and criticism." The question is whether Congress will forcefully investigate, now, what is happening in the murky hedge fund world, or whether it will take a major blow-up to force action. **TAP**

*Barbara T. Dreyfuss is a senior correspondent for The American Prospect.*

# A Globalism for Our Time

*Sixty years ago, George Marshall unveiled his plan for rebuilding Europe and redefining America's role in the world. It was on-target then, and his vision for America's role is even more on-target today.*

BY NICOLAUS MILLS

**L**IKE THE GETTYSBURG ADDRESS, it was a short speech. It took George Marshall just 12 minutes to read his Harvard commencement address, which on June 5, 1947, introduced the United States and Europe to the Marshall Plan. Firsthand reports of the commencement describe Marshall as a speaker who played with his glasses, kept his eyes focused on his text, and was often difficult to hear. But by the time he was finished, he had set in motion America's coming of age as a superpower in a way that would take the United States far beyond its World War II triumphs.

Today, 60 years later, the left and the right compete in their praise of the Marshall Plan. Even the Bush administration has sought to link itself with Marshall. On September 23, 2003, just six months after the American invasion of Iraq began, George W. Bush went before the United Nations General Assembly to announce that he was prepared to make “the greatest financial commitment of its kind since the Marshall Plan” in order to rebuild Iraq.

But in contrast with the Gettysburg Address or John F. Kennedy's inaugural, Marshall's speech is one that few Americans have ever read, let alone can quote from memory. We admire the Marshall Plan for the role it played in helping Europe recover from World War II, but we have lost sight of the way in which the plan—with its call for both greater American engagement in international affairs and greater acceptance of the limits of American power—has acquired new relevance for our post-September 11 world.

“I NEED NOT TELL YOU GENTLEMEN THAT THE WORLD SITUATION IS VERY serious,” Marshall began his Harvard address. He believed the “long-suffering peoples” of Europe faced a crisis with no end in sight, a crisis that Americans—living in a land untouched by recent war—found difficult to comprehend. To make matters worse, the media had only scratched the surface with their



**Big Ideas:** George C. Marshall, with Harvard President James Conant, on the occasion of his Marshall Plan speech, June 5, 1947.

reporting. Europe's problem, Marshall insisted, was “one of such enormous complexity that the very mass of facts presented to the public by press and radio make it exceedingly difficult for the man in the street to reach a clear appraisal of the situation.”

What was wrong, Marshall went on to say, was not merely a consequence of the death and the destruction brought on by the war; the primary difficulty was “the dislocation of the entire fabric of European economy.” Raw materials and fuel were in short supply; machinery was not working; and Europe's farmers, rather than plant crops they could not sell, were withdrawing their fields from cultivation and using them for grazing.

The governments of Europe, Marshall believed, had no choice but to use their limited supply of American dollars to buy imports for the basic needs of their people. Once they took this step, however, they were trapped in a no-win situation: Instead of improving their long-term prospects, they were exhausting the funds required for postwar reconstruction.

The only way out of this situation, Marshall argued, lay in using American aid to help break the “vicious circle” in which Europe found itself, using funds without reinvesting in infrastructure. “The United States,” as he would later tell Congress, “is the only country in the world today which has the economic power and productivity to furnish the needed assistance.”

Marshall believed in the humanitarian case for helping Europe, but he understood the political realities of 1947 well enough to know that if his plan were to win backing, he also had to argue for increased European aid on the basis of American self-interest. He did so without hesitation. If Europe remained weak, he warned, “the consequences to the economy of the United States should be apparent to all. It is logical that the United States should do whatever it is able to do to assist in the return of the normal economic health in the world, without which there can be no political stability and no assured peace.”

In making this appeal to American self-interest, Marshall was unwilling to play the anticommunist card so present in the Truman administration's earlier proposals for dealing with Soviet Union's threats to Greece and Turkey, opting instead for a different political emphasis. "Our policy is directed not against any country or doctrine but against hunger, poverty, desperation, and chaos," Marshall insisted, before going on to declare, "Any government that is willing to assist in the task of recovery will find full cooperation, I am sure, on the part of the United States Government. Any government which maneuvers to block the recovery of other countries cannot expect help from us."

But what form should such aid take? Here Marshall, who as an Army officer in the 1930s had helped run the Roosevelt administration's Civilian Conservation Corps camps, showed how much he had absorbed the ideas of the New Deal, even while remaining personally nonpartisan. In language that applied New Deal thinking to international politics, Marshall argued that the goal of American aid to Europe should be nothing less than "the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist." Halfway or stopgap measures would not do. "Such assistance, I am convinced, must not be on a piecemeal basis as various crises develop. Any assistance that this Government may render in the future should provide a cure rather than a mere palliative."

**IT WAS A BOLD PROPOSAL, BUT MARSHALL SAW NO ALTERNATIVE:**

At stake, he believed, was "the whole world's future." Three months earlier, in a speech at Princeton University, Marshall had observed of the postwar world, "We have had a cessation of hostilities, but we have no genuine peace." At Harvard, Marshall returned to the same theme, arguing that despite being "distant from the troubled areas of the earth," Americans must avoid turning their backs on the values for which they had fought World War II.

As he neared the end of his speech, Marshall assured his Harvard audience that "the difficulties I have outlined can and will be overcome." But doing so, he cautioned, would require "a willingness on the part of our people to face up to the vast responsibilities which history has clearly placed upon our country." The United States had to acknowledge that "there can be no political stability and no assured peace" without "the return of normal economic health in the world."

The challenges that lay ahead, Marshall did not doubt, were as much matters of psychology and vision as economics. In a passage that he added to his original text, Marshall emphasized the need for Americans to see the crisis in Europe as a test of their patience. "To my mind it is of vast importance," he declared, "that our people reach some general understanding of what the complications really are rather than react from a passion or a prejudice or an emotion of the moment."

From Marshall's Harvard speech there flowed not only a sophisticated view of the requirements needed to achieve postwar peace, but an expanded definition of America's national security. Since the end of the war, military leaders such as James Forrestal, who in September 1947 would become America's first secretary of defense, had argued, "Our national security can only be assured on a very broad and comprehensive front."



In his Harvard speech, Marshall gave fresh credibility to these same ideas by linking national security to humanitarian aid and economic redevelopment.

But Marshall went further. He argued for a future that would have no room for American triumphalism. On his retirement from the Army, in 1945, Marshall had stressed the need for the United States, which had been spared the destruction of its homeland, to promote international peace. "Today this nation, with good faith and sincerity, I am certain, desires to take the lead in the measures necessary to avoid another world catastrophe such as you have just endured." By the time of his Harvard speech, these ideas had ripened to the point where Marshall now spoke of America's international obligations in terms of "the vast responsibilities which history has clearly placed upon our country." But even more revealing than his shift in tone was his unwillingness to downplay America's new superpower status.

In lesser hands such a view of American power might have amounted to arrogance. But Marshall did not call on Europe to accept a *Pax Americana* as it had once accepted a *Pax Britannica*. His description of the leadership role that he envisioned for the United States in postwar Europe was inseparable from his belief that the United States should act in concert with the European nations it sought to help.

Marshall was proposing that the United States respond to Europe's postwar vulnerability by seeking new ways to be an ally, rather than new ways to dominate European affairs. He wanted to make sure that the United States did not supply Europe with the kind of imposed generosity that inspired resentment. Franklin Delano Roosevelt had made this point during World War II. With victory in sight, FDR observed, in his fourth inaugural address, "We have learned that we cannot live alone, at peace; that our own well-being is dependent on the well-being of other nations, far away."





**When France Loved Us (Almost):** The first shipment of Marshall Plan aid (8,800 tons of wheat, actually) arrives in Bordeaux, France, in May of 1948.

At Harvard, Marshall picked up where Roosevelt left off, insisting that the long-term interests of the United States were not served by imperial models of control. American success abroad rested, he believed, on shared power, and America's voice should not drown out those of other nations still weakened by war.

In a letter to Senator Arthur Vandenberg, the Republican chairman of the Senate Foreign Relations Committee, Marshall wrote, "But we should make it clear that it is not our purpose to impose upon the peoples of Europe any particular form of political or economic association. The future organization of Europe must be determined by the peoples of Europe." In his Harvard speech, Marshall made the same point in a passage that drew heavily on a State Department memo by Soviet expert George F. Kennan. Marshall was convinced: "It would be neither fitting nor efficacious for this government to undertake to draw up unilaterally a program designed to place Europe on its feet economically. This is the business of the Europeans."

As far as Marshall was concerned, it was up to the Europeans, thinking collectively and regionally, to develop a plan of their own for using American aid even before it arrived. America's obligation was to provide "friendly aid" in the drafting of such a plan. "There must be some agreement among the countries of Europe as to the requirements of the situation and the part those countries themselves will take in order to give proper effect to whatever action might be undertaken by this Government," Marshall insisted. "The program should be a joint one, agreed to by a number, if not all European nations."

**VANDENBERG, BORROWING RALPH WALDO EMERSON'S WORDS,** would describe Marshall's Harvard speech as a "shot heard 'round the world." Today that assessment does not strike us as hyperbole. Marshall's emphasis on multilateralism and bipartisanship, his insistence that the United States refrain from dictating to its

allies, and his belief—as he observed in his Nobel Prize speech of 1953—that "democratic principles do not flourish on empty stomachs" seem not only modern but a repudiation of the way the United States has conducted its post-9-11 foreign policy.

Getting the Harvard audience and the nation at large to grasp all that Marshall had put before them was no easy task. As Harvard President James Conant, who had entertained Marshall on the evening before he spoke and spent most of June 5 in his company, would observe of Marshall's speech, "I had not understood its meaning when I heard it."

It fell on Marshall to sell his plan to the United States, and he did not flinch from the task. "That's the thing I take pride in: putting the damned thing over," he would later say. As the general who was the Army's chief of staff from the beginning to the end of World War II, Marshall was the perfect Marshall Plan salesman. During the war he had always spoken candidly of the dangers the United States faced. Now he did so with regard to the Marshall Plan. In a speech he delivered shortly after becoming secretary of state, Marshall had insisted that "business as usual, politics as usual, pleasure as usual" posed a danger to postwar America, and in campaigning for his plan, he continued to make this point.

In his opening day of testimony before the Senate Foreign Relations Committee in 1948, Marshall did not try to minimize the expense of his plan. "This program will cost our country billions of dollars," he said. "It will impose a burden on the American taxpayer. It will require sacrifices today in order that we may enjoy security and peace tomorrow," he warned the senators. "Either undertake to meet the requirements of the problem or don't undertake it at all."

Sixty years later, when we think of the scandal-plagued lessons that Iraq offers in how not to administer foreign aid, Marshall's refusal to oversell his plan remains as impressive as ever. To be sure, the biggest problems we face in foreign affairs today come primarily from regions that are far less familiar to us—and far more unstable—than Western Europe, with its democratic traditions, was two years after the Second World War. But so much of what Marshall did to win acceptance for the Marshall Plan, which would end up costing more than \$13 billion (roughly \$579 billion as an equivalent share of four years of our current gross national product), was not time-bound.

Marshall's calls on the nation for sacrifice, his refusal to underestimate the price of foreign aid, his appeals for bipartisanship, and his insistence on multilateralism would all be more difficult to manage now than they were in the late 1940s, but an updated version of such a policy is hardly beyond our reach. Indeed, such a policy, with its aversion to hubris, is essential at a time when our current "war on terror," like the Cold War in 1947, is being waged with no end in sight. **TAP**

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# Inner-City Futurism

*A new kind of high school in Chicago's ghetto will train its students for high-tech, high-pay manufacturing.*

BY EZRA KLEIN

**A**USTIN COMMUNITY ACADEMY IS THE SORT OF HIGH school where the bathrooms don't have doors—the better to prevent violence from erupting beyond view. The posters dotting the walls are all for military careers, and despite a beautiful, stately auditorium, the mesh windows and cracked, beige brick give the building a hopeless air. It is arguably the worst school in the Chicago Public School system—a system that, in 1987, Secretary of Education William Bennett called the worst in the nation, making Austin something akin to the worst school squared. But soon that will all be over: In 2004 the high school was designated as “failing,” and this spring it will graduate its final class.

Founded in 1865 by a wealthy real estate speculator, the city of Austin's history reads more like a generic tale of 20th-century urban fortunes than an actual township's trajectory. Annexed by Chicago in 1899, heavy Italian immigration transformed Austin from a 4,000-person suburb into a striving, bustling community of 130,000 white ethnics by 1930. But then came the tumultuous 1960s, the civil rights movement, race riots, white flight, blockbusting, and the decline of decent urban jobs, and soon Austin was a particularly sad example of Chicago's midcentury racial strife and economic decay.

Come fall, though, the doors of what was the Austin Community Academy High School will open as they always do, and the teachers will line the halls as they always have; the building's \$31 million renovation will be under way, and a new principal and a new staff will welcome 145 nervous, excited freshmen to a new type of school: Austin Polytechnical Academy.

The new school is an outgrowth of Bennett's harsh comments, which helped kick off a decades-long effort to revive and improve the moribund school district. In June 2004, Mayor Richard Daley unveiled the latest front in this campaign: the Renaissance 2010 program, a powerfully ambitious initiative that seeks to compensate for the city's aggressive shuttering of failing schools by founding 100 innovative, performance-driven alternative schools by 2010.

Austin Polytech is one of the experiments. Backed by a coalition including unions, manufacturers, city bureaucrats, and community-organizing groups centered in the Chicago Manufacturing Renaissance Council, the school is an innovative anachronism: a vocational school at a time when work-based

education has gone out of vogue, and an advanced metalworking academy at a moment when the manufacturing industry seems in a state of advanced, ever-accelerating decay. It's an odd choice: Since 2000, the country has lost more than 3 million manufacturing jobs, and employment in the sector is at its lowest point since 1950. As an industry, manufacturing is more often mentioned in eulogies than career pep talks.

And that is a shame: Manufacturing is caught in transition between its past glory as the provider of good, upwardly mobile, blue-collar jobs that formed the backbone of a vibrant middle class, and its future as a smaller, high-skills, high-tech industry. The question is whether it can actually survive this transitional period and attract the talent to save what's worth saving, or whether nostalgia for its past and pessimism about its future will spell the end for American manufacturing, in all its forms.

**JOHN WINZELER LOOKS TO BE IN HIS LATE 50S, ELEGANTLY DRESSED** in a black sportsjacket and lavender crew shirt. His cream-colored English Lab, Brie (“Like the cheese,” he says), cleverly plays press secretary, distracting me from taking legible notes by putting her head in my lap and whining for attention. We're sitting in his spacious, sun-lit art gallery, where he happily talks up the local Modernist he's featuring this week. This scene would be utterly ordinary in Carmel or Laguna Beach, but we're in an industrial park in Chicago, Illinois, and the gallery is a wing of Winzeler Gear, a precision gear manufacturer that turns out more than 120 million small, bone-white plastic parts a year.

Winzeler is a third-generation manufacturer. The company was started by his grandfather, continued by his father, and eventually turned over to him. One of the walls is lined with pictures from the factory floor over the years, and they look much like you'd expect: sepia-toned snapshots depicting an incomprehensible tangle of pipes, parts, and machines, each one manned by an employee in a pageboy cap. Turn around, however, and the current factory floor looks like a *Star Trek* holodeck. You could jog laps around the spacious room, and you'd be well out of breath before you ran into an employee. What you would see, all over, are giant robotic arms, tubes, and presses churning out small, perfect plastic gears, and dropping them lightly onto whisper-quiet conveyor belts. Walk around Winzeler's factory and you can't help but think that while Isaac Asimov's famous “Three Laws of Robotics” forbade robots from



**You Could Eat  
Off the Floor:**  
The Winzeler  
Gear Factory

harming humans, they never forbade them from taking human jobs.

"This is a highly automated plant," Winzeler says. "It's the only way to compete in this part of the world. And if you're going to move a lot of product in the same way, you're going to want very, very little human involvement." That's a surprising admission: It's not just competition that has led Winzeler to turn to robotics but quality. Humans make errors that machines don't. They tire in ways machines can't. They slow down or max out in ways machines won't. "Ten years ago," says Winzeler, "I made 2 million gears per month, employing 60 people. Now I make 12 million gears a month, and employ 45 people."

This is the story of modern manufacturing. What's new is not just China, it is robotics, technology, productivity. In its report asking "What accounts for the decline in manufacturing employment?" the Congressional Budget Office found that, "since 1979, the productivity of manufacturing workers has grown at an average annual rate of 3.3 percent, significantly faster than the 2.0 percent growth of labor productivity in the nonfarm business sector overall." A 3.3 increase per year may not seem like much, but compounded over 28 years it means a manufacturing worker in 2007 is 140 percent more productive than his 1979-era self. That means a given manufacturer needs fewer workers.

This could be corrected for if the market for manufactured projects was growing as quickly as productivity was increasing. Indeed, such growth would be natural: Theoretically, advances in productivity should also lower prices and boost demand, bringing the industry back into equilibrium. Theory has not borne out in practice, though. "[W]hile the prices of manufactured goods have indeed fallen consistently relative to other prices," continues the CBO paper, "those lower prices have not led to increased sales: the share of gross domestic product accounted for by manufacturing output has been roughly constant over the past half-century." Add in competition from China for low-skills manufacturing jobs, along with the increased ease and lowered cost of intercontinental communication and transport, and you have an industry in acute distress.

That's a problem, as manufacturing happens to be a particu-

larly good sector on which to base a country's economy. Various industries have what's called a "multiplier effect," which refers to how much secondary economic growth their spending sparks. A dollar spent in manufacturing has a particularly high multiplier, creating an additional \$1.43 of activity in other sectors, be they sales or raw materials, mining or transportation. A dollar spent in the services industry, by contrast, has a multiplier of only 71 cents.

There's only so much that can be done about this, of course. America has lost much of its manufacturing base, and will continue to lose more. But it's important to think about which jobs are being sacrificed. Manufacturing will never again serve as a broad industry providing huge numbers of entry-level jobs and an easy path upward. Rather, it will morph into a high-skills industry more akin to architecture or engineering, where there are fewer jobs but ones that are better paying, more demanding, and offering more mobility. "There are fewer entry-level positions that require little or no skills," says Winzeler. "[But] the jobs that are left are much higher paying."

Indeed, they hardly look like traditional manufacturing jobs at all. Sitting in Winzeler's plant, you could easily believe yourself in any of a number of quirky Silicon Valley companies—it is not only the ethos of the place but also the machinery, the aesthetics, and the obvious complexity of it all. The walls are decorated with advanced degrees obtained by employees, and most employees are hunched over handheld computers and intricate control panels.

And this is the dilemma of modern manufacturing: Its dual reputations as a grimy, blue-collar, low-skill industry and as a dying sector don't exactly convince students seeking a professional career to think manufacturing. In Illinois alone, 40 percent of the manufacturing workforce is expected to retire during the next decade. Replacing those workers is an urgent concern for both the state and the industry.

Yes, the old-style manufacturing is dying, and with it many jobs. But if the talent pool for the new manufacturing doesn't freshen, we will lose all the manufacturing jobs; the high-skill positions and the low-skill positions, the robotics operators and the factory machinists. I have heard manufacturers complain



to each other that their industry needs “a new face,” that what they suffer from is “a huge PR problem,” and that their task is largely one of “marketing.” That’s where Austin Polytechnical Academy comes in.

**T**ODAY, AUSTIN IS 90 PERCENT AFRICAN-AMERICAN, with a median household income of a bit more than \$33,000. Those parents who can send their children to private school do so. Those who can send them to another district take that route. And those who are left lack options—and futures. Austin Polytech hopes to give them both. It also hopes to convince a populace softened by desperation to throw in its lot with an industry that more socio-economically privileged groups would instantly dismiss.

The traditional attack on vocational schools was that they tracked unlucky kids into a narrow occupational path; if graduates decided they didn’t want to continue on that path, well, tough. Austin has been conceived as a new sort of vocational school: one that increases, rather than constrains, options. It will not only prepare students for college, but do so more intensely than surrounding schools. There will be a pre-engineering curriculum, double periods of math and English, and an 8-to-5 school day. “We’re selling an education that will prepare these kids for high-tech, high-skills, high-paying jobs,” promises Bill Gerstein, the principal of Austin Polytechnical Academy.

But the key is not necessarily in the curriculum, it’s in the coalition. Austin Polytech is a project of the Chicago Manufacturing Renaissance Council (CMRC), a group comprising businesses, unions, activists, government agencies, educators, and anyone else invested in the city’s manufacturing sector who is willing to sit in on the occasional meeting. It is a cooperative enterprise, with all sorts of unexpected alliances emerging as manufacturing feels ever more besieged.

Austin Polytech, for instance, is a performance, rather than a charter, school. The primary difference is that charter schools operate outside of the union contract, while performance schools include the teachers’ union. Dan Swinney, the wiry, kinetic organizer behind the school and the executive director of the CMRC, recalls: “We were under a lot of pressure to convert to a charter school, but the Illinois Manufacturers’ Association actually helped us resist it. They understood the vision, which is that we need this social coalition including *all* the stakeholders to be competitive.” The Illinois Manufacturers’ Association pushing to preserve unions: Who’d have thunk it?

But it makes sense: If the manufacturers disappear, so do the manufacturing unions. In Swinney’s telling, Austin Polytech isn’t merely a school, it’s a vision of development for the kids, the community, and the industry—a veritable ecosystem of economic development. By loading the students with marketable skills, the school will help attract business to the community. If

the residents of Austin have good, local jobs, they’ll be able to spend more, developing the community. If there’s an example of a community revitalized by high-skill manufacturing jobs, manufacturing itself will benefit, and other communities will begin developing the human capital necessary to sustain the industry. And the more manufacturing there is, the more good, union jobs there will be.

So Swinney, a former union man but now the director of the Center for Labor & Community Research, has assiduously rebuilt long-burnt bridges to assure participation by the community organizations that know the area best, by employers who will need to hire the graduates, by the unions who will need to represent them. Rather than creating these relationships at the point of employment as is traditionally the case, he seeks, through Austin Polytech, to start them earlier, at the point of education.

Swinney speaks of manufacturing with a near-reverence; to hear him tell it, the industry is the solution to almost all of the country’s problems. “If we want to have an economy that is environmentally, ethically, and economically sustainable,” he asks, “what would you have? High value-added, advanced manufacturing. The environmental crisis, for instance, will have to be solved at the point of production. The next generation of environmentalists need to be industrial engineers. We need to be attracting the Harvard kids into manufacturing, where they can actually solve these problems, not into law, where they simply litigate against the companies causing them.”

**“Ten years ago,” says Winzeler, “I made 2 million gears per month, employing 60 people. Now I make 12 million gears a month, and employ 45 people.”**

**THE KEY TO ALL OF THIS PROGRESS IS THE INVOLVEMENT OF** the manufacturers themselves. Starting in their junior year, students at Austin will be encouraged to do internships, job shadowing, workplace development. And at least in these heady early days, employers seem enthusiastic to help. “My problem with Austin Polytechnical,” says Joan Wrenn, President of Hudson Precision Products, “is that it won’t give me any graduates till 2011. We need the talent. What’s happened in manufacturing is that we used to have 40 entry-level positions we could recruit from. But the advances in technology took away those basic jobs.” Austin Polytech, she hopes, will be the first of many schools that restore a pipeline for recruitment.

These connections with employers are more important than they may seem at first glance. Their benefits go far beyond internships, experience, and even, in a direct sense, jobs. Rather, they provide social and occupational capital of a sort rarely accessible in poor, decaying communities. Wrenn tells of a recent lunch at which she sat next to the dean of engineering at a major university and talked up Austin Polytech. She

was bombarded with interest. She exchanged cards with the enthusiastic educator and promised to inform her of particularly hot prospects graduating from the school.

Those sorts of connections are common, and often more formalized, in affluent areas, where the schools have natural and well-worn inroads to elite universities, and the students have, through families and friends, a vast network of occupationally helpful connections and relationships. The absence of these inroads among those born in less advantageous circumstances is a critical hindrance to professional and financial advancement.

Research has long borne this out. In the 1974 sociology classic *Getting a Job*, Mark Granovetter interviewed hundreds of professional and technical workers from Newton, Massachusetts, to understand their employment background. Only a fifth used traditional classified ads. More than half, it turned out, had found their jobs through a personal connection. And of those who landed their job through personal connections, the link was, more often than not, an acquaintance or contact rather than a close, personal friend.

It is this network of well-placed contacts that Austin Polytech hopes, through its wide coalition and involved partners, to create. If it succeeds initially, it will begin to succeed automatically: As graduates move into decent jobs and good colleges, they will be in better positions to help their younger friends and acquaintances in the community. The benefits of this process are tough to quantify, but potentially very significant.

But it will be hard. A lot of minds will have to be changed first. "As I've gotten into the school reform movement," sighs Swinney, "I've been really unimpressed with [school reformers'] attitude towards education linked to employment opportunities: They seem to still think that linking school to work is part of a process that tracks kids into bad jobs, that it suggests they're dumb."

College is certainly the most respected path to affluence, and vocational education still has a rough reputation. But for some born into less advantaged circumstances, college can prove such a cultural leap, and often such a financial hardship, that the active pursuit of good, post-high school employment may prove a more effective approach to cutting the achievement gap. "For the population that we're educating," says Gerstein, the school's principal, "traditional college may not be relevant to them, but they still want careers where they can make a lot of money." Manufacturing, increasingly, is such a career. And with an aging, retiring workforce, there will be plenty of positions coming open.

To be sure, Austin will start small, with an inaugural freshman class of only 145, and its primary impact may be as a model that can be brought to scale, rather than as a freestanding institution. "What I personally want to see happen," Gerstein continues, "is that by demonstrating how you can do it with our population, with working class African-American kids, school districts around the country which have large African-American populations will change their policies and procedures and create more schools that work." And if he manages to save American manufacturing along the way, well, so much the better. **TAP**

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Published by Middle East Research and Information Project (MERIP), Washington, DC.

# Downtown, Not Just for Yuppies

*In Denver, thanks to low-income and environmental justice activists, a new mega-project will include affordable housing and good jobs.*

BY TARA MCKELVEY

**T**IM LOPEZ WALKS ALONG THE 800 BLOCK OF SOUTH Lincoln Street in the Baker neighborhood of Denver on a clear May afternoon. Trucks roar along a nearby highway, and the street is littered with broken flagstone, cigarette butts, and a flattened Miller High Life can. The block ends at Interstate 25, two blocks from an abandoned plant, Gates Rubber Factory, and when the wind dies down, the air smells faintly of sewage. The most disturbing thing about the neighborhood, 44-year-old Lopez explains, is not the noise, smell, or litter. It is hidden in the grass.

"It's a monitoring well," says Lopez, pointing to a metal plate sunk in the soil near the street. "They drill for groundwater and test for TCE," a suspected carcinogen called trichloroethylene.

In October 2002, fumes from TCE, an industrial solvent, were discovered in the area, and this block, says Lopez, turned out to be "one of the most contaminated areas." Lopez says executives with Cherokee Denver LLC, a real-estate development company that owns the factory and the surrounding 50 or so acres, as well as city officials, were initially sanguine. "The company was saying, 'There's not a problem,' and the city was saying, 'There's not a problem,'" he recalls. "We were saying, 'There's a problem.'"

Cherokee Denver's president, Ferdinand Belz, claims there never was any threat to human health. Nevertheless, executives have overseen a cleanup of the area that is monitored by the public, partly because of pressure from community activists like Lopez. In addition, executives plan to knock down most of the factory and clear a space for stores, restaurants, supermarkets, and 2,500 apartments and houses, including 350 affordable housing units. The project will provide roughly 8,000 construction jobs and jobs in the retail sector once the work is done. In May, Robert Redford announced that a six-screen Sundance Cinemas movie theater featuring commercial-free films would open on the site in 2010.

In a reversal of fortune, this Denver brownfield has been targeted for a development project that will transform it into a neo-workers'-paradise. There is nothing new about a corporate takeover of an abandoned site, and Cherokee Investment Partners executives have much to gain from acquiring property located near a commuter rail in downtown Denver. But what is new is how much time corporate executives are spending considering the wishes of activists with organizations such as Save Our Section 8, Denver Inner City Parish, and 9to5,

an organization that represents women in low-wage jobs.

Leaders of these groups, along with 53 other organizations, were members of a coalition that worked for four years to push Cherokee Denver to create a worker-friendly community. Their efforts culminated on February 6, 2006, when Cherokee Denver executives and city officials signed a development agreement ensuring that affordable housing and decent-paying jobs for people in the neighborhood would be included. This kind of "community-benefits achievement," as it is known, may sound quixotic. But it seems to be working here in Denver and in other parts of the country. The success of the Gates Rubber Factory project, say observers, is especially important because it has implications for activists in other conservative states.

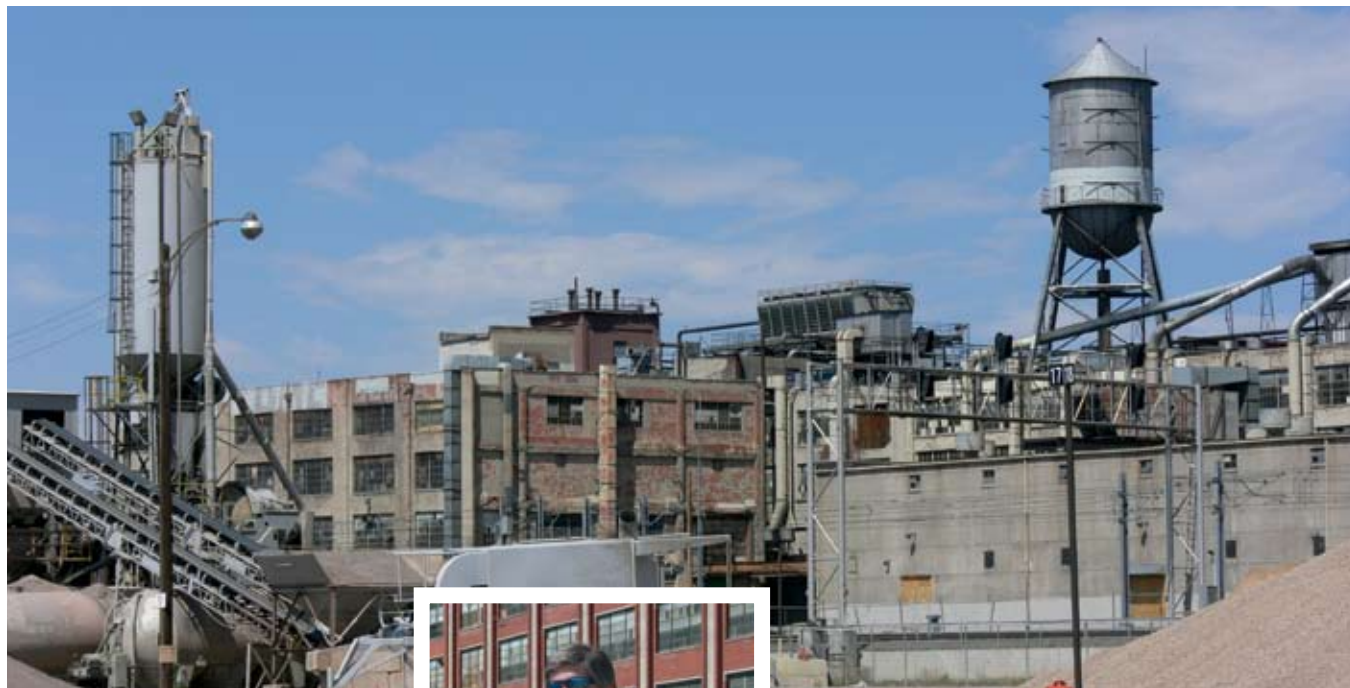
"Denver is in a red state where [the] laissez-faire ideal has permeated all politics," says Madeline Janis, the executive director of the Los Angeles Alliance for New Economy (LAANE), which has led the community-benefits movement in California and elsewhere. "To have this kind of strategy working successfully here shows it can be done everywhere."

**IT IS A LATE MORNING IN MAY. LOPEZ IS SITTING AT A TABLE** in a Winchell's Donut House on South Broadway, not far from where he had shown me the monitoring well, eating a bear claw. Across the street, a black MIA flag hangs over a VFW building, and an advertisement on a building next door says, "Joe Onofrio Pianos/No interest till Feb 2008." The nearby Samsonite Corporation factory, where Lopez's father worked for 44 years, has been shut down. Gates Rubber Factory, which once employed 5,000 workers, closed in 1995.

Apart from chains like Winchell's, the downtown seems to have few job opportunities. Approximately 40 percent of the jobs are in hotels, shops, and restaurants, and these jobs offer an average starting wage of less than \$8 an hour. Lopez and his colleagues have been trying to fix that, and because the city of Denver has given financial support, in the form of tax breaks, to the project, Cherokee Denver is more likely to listen. In this way, activists are able to link growth to social justice in a legally enforceable contract.

The first community-benefits agreement was signed in 1998 in Los Angeles. A leading commercial developer, Trizec-Hahn, proposed a development on Hollywood Boulevard that would create a hotel, retail outlets, and other venues with the stipu-





**Bound For Glory:** The old Gates rubber plant.  
Inset: Tim Lopez, the neighborhood organizer  
who's building a better downtown.

lation that employees in these places would be unionized. That agreement was the result of negotiations between LAANE members and developers. Since then, progressive activists have succeeded in pushing through community-benefits agreements over the development of Staples Center, a sports arena in Los Angeles, and the expansion of Los Angeles International Airport, along with projects in a dozen other cities, including San Diego, Milwaukee, and Atlanta.

In Denver, Lopez and others began addressing the contamination question after TCE fumes were found in October 2002. But things took off once they joined forces with a larger group of activists addressing other community issues around the development. These groups included the International Brotherhood of Electrical Workers and the Colorado Environmental Coalition—all brought together by members of a Denver-based organization called Front Range Economic Strategy Center (FRESC), a group loosely modeled after LAANE. They got together in semi-formal settings at churches, private homes, and other venues to talk about what kinds of things they wanted to happen at the Gates Rubber Factory site.

Their concerns varied widely. Lopez pushed for—and got—an agreement from Cherokee Denver executives to allow the public complete access to documents relating to the testing of contaminants and the site cleanup; the documents are now kept at a local library, the Decker Branch, in Denver. A member of Save Our Section 8, Jim Kittel, felt strongly about the housing needs of the disabled in the development. Linda Meric of 9to5 pushed for an increase in sick days for workers employed in the new community. To be sure, these goals were not always universally

agreed upon within the coalition. There was the inevitable bickering and turf warfare, and when a list of demands eventually emerged, some proposals, such as a sliding-scale day care center, were left by the wayside.

With list in hand, representatives from the coalition met with government officials and Cherokee Gates executives to hash out a formal agreement. During this time, corporate executives were working hard to win approval of government subsidies, which obliged them to listen to local taxpayers. Activists used this to their advantage, making it clear that the relationship could be mutually beneficial: Incorporate our demands and we'll help you win government subsidies. "We said, 'If you're going to take our money, we need to have some buyback,'" Lopez explains.

The Gates Cherokee project was given roughly \$85 million in subsidies from the city of Denver and \$41 million from "special taxing districts," through tax-increment financing (this means, basically, that companies working to improve polluted or damaged areas receive financial support from a municipality because the improvements will presumably yield higher property taxes, which will benefit the city).

And in return, the Cherokee Gates developers made promises of their own: They agreed last year to provide jobs that pay competitive wages for local residents in both the construction and retail industries. An operating engineer with five years of training, for example, might earn between \$18.52 and \$21.92 an hour, according to FRESC's executive director Carmen Rhodes. Workers will also receive health insurance from their employer—or a cash differential that allows them to pay for their own insurance. It is an important step for people who live near the former factory, especially since 36 percent of them earn less than \$35,000 a year, according to 2000 U.S. Census data. Approximately 10,000 temporary and permanent jobs will be created over a ten-year period, according to Rhodes.

**AT A MAY GATHERING OF FRESC LEADERS, ALONG WITH OTHER** activists involved in the project, at Denver's Mercury Café, a dry-erase board in the back of the restaurant is covered with handmade signs including "ENVIRO CLEANUP" (in the shape of a leaf) and "HIGHER WAGES" (written on a dollar-shaped board). Rhodes, 30, who has chunky highlights in her dark hair and wears dangly earrings, looks at the signs—representing the demands activists had made of the developers and of the city—and then at a group of roughly 30 people, including activists and donors, sitting in the café.

"Isn't that awesome?" she says. "I just want to say that when we first introduced the list, they thought we were crazy. But we were able to jump off into a policy discussion."

The project has required pluck and determination—which both Rhodes and Lopez seem to have in abundance. Rhodes, who graduated from University of Colorado-Boulder in 1999, had a 1997 summer internship in an AFL-CIO program and worked on SEIU's Justice for Janitors campaign. She learned the value of steady, sustained commitment to a project: It has taken more than two decades for janitors in downtown Denver, who once earned \$3.00 an hour, she says, to a point where nearly all have unionized jobs. For his part, Lopez joined a union at age 16 and worked as a painter for the Denver public schools until 1987. That year, he broke his back in a work accident and lost his job. As a unionist and the son of a marine ("I learned to sing 'The Halls of Montezuma' before I was two," he says), he is disciplined and plainly suited for the job of helping to organize a massive project like Cherokee Gates.

## The Denver activists believe they can turn dead-end retail jobs into unionized, well-paying ones.

There have been plenty of obstacles. One of the biggest is that many of the new jobs Cherokee Gates is creating are in retail, an industry that offers mostly minimum-wage jobs with little prospects for advancement. Still, organizers are optimistic about the possibility for change. "Back in the '20s, people did not think that manufacturing could offer good jobs," says LAANE's Janis. "Retail jobs are the auto-manufacturing jobs of the 2000s. If we have a vision of retail, which means good jobs as well as unionized jobs, there are tools that can make it a reality."

Local organizers have helped draw up the final, written agreement that was signed, with a stipulation, for example, that stores larger than 75,000-square feet that earn more than 12.5 percent from groceries will not be allowed on the site. That means no Super Wal-Mart. In this way, organizers hope to help create a space for locally owned supermarkets—places that have traditionally paid higher wages than chains like Wal-Mart. "It is going to take a long time in a place like Denver," Janis says, talking about their efforts to create higher-paying retail jobs. "But it's not going to take a lifetime."

Meanwhile, activists and developers have worked out agree-

ments in other areas, including one in which "prevailing wages and benefits [will be paid] for every construction worker engaged in the publicly-funded construction," according to FRESC, and the "selection of a union construction manager and general contractor with a strong record of good wages, health care and retirement benefits." In other words, workers are more likely to receive the equivalent of union wages—a big improvement over Colorado's \$6.85-per-hour minimum wage.

A neighborhood-cleanup advisory board has also been formed to help oversee the monitoring of toxic solvents such as TCE. Levels of TCE had been found "in such high concentrations in the groundwater near the plant that it presented a potentially harmful vapor intrusion threat to the indoor air of homes" near the plant, according to FRESC. "The groundwater concentrations of TCE near the plant site were some of the highest found in the western United States."

This monitoring is an improvement over what had been done in the past, but some experts say it is not enough. Lenny Siegel, a Mountain View, California-based executive director of the Center for Public Environmental Oversight, has testified before the U.S. Senate on issues concerning the environment and community development. In a September 2006 report entitled "Gates Rubber Site," Siegel wrote that he did not believe the environmental standards of Colorado State are "stringent enough" and questioned the Cherokee Denver findings that residents are safe from contamination of TCE and other chemicals. Still, he said the strategy that had been put in place—namely, cleaning up the ground water—seemed more prudent than other approaches to the problem, such as trying to mitigate the potential damage in local houses.

The task of monitoring environmental damage and creating a large-scale community like the one planned for Cherokee Gates is monumental. Labor experts familiar with the project believe it offers an excellent chance to help create a community in which workers and their families will have good jobs and decent lives. The fact that public funds are being invested in the site gives activists and workers a chance to speak out for things that should be incorporated into this kind of urban-renewal project. It also forces political leaders and corporate executives to listen to their demands.

"It was very contaminated, old rubber factory, and [the activists] weighed in and said, 'This is a huge taxpayer investment. It will have profound implications, and we need to be really careful to do this project right,'" says Greg LeRoy, author of *The Great American Jobs Scam: Corporate Tax Dodging and the Myth of Job Creation*. "They succeeded in drastically reshaping the project. It's a really great story."

"Real change just takes so long," says Rhodes, late in the day, sipping a latte at a dessert bar (gluten-free optional) in the Mercury. "We describe this work as moving glaciers, and sometimes it's hard to see any change unless you say, 'Look, the glacier has moved a centimeter.'" **TAP**

*"Good Jobs" is supported by a grant from the Ford Foundation.*

# Two Paths for the Planet

*Will we rewire the world with clean energy—or descend into political chaos, social disruption, and climate hell? And will Washington get with the program?*

BY ROSS GELBSPAN

**H**UMANITY IS STANDING AT A CROSSROADS BETWEEN a more just, peaceful world and an increasingly chaotic, turbulent, and authoritarian future driven by a succession of climate-driven emergencies. We could find ourselves struggling to survive a desolate era of climate hell marked not only by a degraded and fractured society but also by more authoritarian governments.

But the good news is that the bad news is at last being taken seriously. With the latest report of the Intergovernmental Panel on Climate Change synthesizing the work of some 2,500 scientists, there are no longer serious deniers. An alternative path could lead not just to a pullback from climate disaster, but to a more peaceful and cooperative world. Why? Because the private, corporate forces that have produced the climate emergency are powerless to cure it. As even many in the private sector now admit, the necessary solutions will require new feats of cooperation among governments, new collaborative regulation of energy and the environment, as well as new social investments in renewable technology and a global system to distribute them.

The challenge has been taken very seriously in Europe—where leaders want much stricter goals for the next phase of the Kyoto Protocol beginning in 2012. In May, German Chancellor Angela Merkel sought agreement by industrial nations to cut emissions 50 percent by 2050 at the June G-8 summit. But U.S. negotiators accused the Chancellor of ignoring their concerns. Prior to the summit, Bush seemed to undermine the G-8 by calling on the U.S., India, China, Mexico and Australia, and 10 other major polluters to craft a new carbon-cutting framework by 2008. James Connaughton, senior U.S. climate advisor, kicked off the summit by declaring the United States would not accept the EU goals. In the end, the U.S. agreed only “to seriously consider” the non-binding vows by the EU, Japan, and Canada to halve emissions by 2050. Bush’s plan for the 15 large polluters could allow his successor to work more closely with the EU on the next phase of Kyoto. But, despite bravely optimistic words by Merkel and Tony Blair, Bush undermined the EU push to substantially slow the pace of climate change.

His promise to “seriously consider” greater future cuts fell far short of the commitments the EU had wanted.

Ultimately, the challenge is as simple as it is overwhelming: Humanity must cut its use of coal and oil worldwide by about 80 percent in a very short time by shifting to clean energy. The predominant view of that gargantuan challenge casts it as mainly technical: that energy systems will remain centralized; that private market forces will make that energy transition; and that our current form of social and economic organization will remain fundamentally unchanged.

But that picture has it backwards. The technical remedies favored by the big energy companies are mostly the wrong ones, such as “clean coal” and mechanical carbon sequestration. Their purpose is often to serve the interests of big oil and big coal, not to produce the most efficient or cleanest technologies, much less socially effective applications of their use.

What’s required is significant government action, and on a global scale. In that respect, the carbon crisis could be a profoundly transformative opportunity to begin to reverse the growing and unsustainable gap between the world’s rich and poor, to rescue the democratic process from the growing reality of corporate domination, and to launch a coordinated global transition that could fundamentally alter historical power relationships.

**OUTSIDE THE UNITED STATES, THE TRANSITION IS BEGINNING IN earnest.** The Netherlands, Germany, France, and the U.K. have already vowed to cut their carbon emissions by 50 to 80 percent over the next 45 years. The EU has just agreed in principle to cut carbon levels 20 percent below 1990 levels by 2020.

European cities, regions, nations, and the EU are also leading the world in developing more energy-efficient systems of transportation and construction, and in helping private industry develop new forms of renewable energy technology. This effort did not occur spontaneously because the oil companies or public utilities or private developers saw the light, or because market forces saw profit opportunities. Europe’s renewable energy path happened as a result of careful public policies, informed by public planning, including taxes on carbon energy use, subsidies for



development and use of clean energy, regulations on building standards and public utility purchases, and leadership on the Kyoto Protocol process.

Europe's new willingness to press Washington harder on this issue did not begin with this year's G-8 meeting. In fact, several governments contemplated legal action against the United States as early as the summer of 2001. At that time, representatives of the French, Swiss, and Canadian governments said in background conversations with me that they were planning to bring the United States to court under the World Trade Organization. Their argument was that the WTO prohibits governments from subsidizing their products. And if their countries were drawing down their emissions according to the Kyoto schedule and the United States was not, they were planning to petition the WTO to level stiff taxes on American exports on the ground that the United States was "carbon-subsidizing" its exports. That initiative was aborted, months later, by the terrorist attacks on the World Trade Center and the Pentagon. But it resurfaced last November when then-French Prime Minister Dominique de Villepin proposed taxes on imports from countries that refused to sign the Kyoto Protocol.

The United States, as the world's most disproportionate energy consumer, is in a position either to lead an energy transition, or to thwart it. A pro-active U.S. role has been blocked by both the Bush administration and big oil and coal. Beginning in the early 1990s, the coal industry mounted an extensive campaign of deception and disinformation, covertly paying a tiny handful of "greenhouse skeptics" several million dollars and buying them a great deal of air time to persuade the public and policy-makers that climate change was either nonexistent, negligible, or due to natural causes.

As recently as October 2006, President Bush tapped Lee Raymond, the recently retired chief executive of ExxonMobil, to help chart America's energy future. Despite Bush's belated admission in his 2007 State of the Union address that climate change is real, Bush's policies are essentially unchanged and the White House has become the East Coast branch office of ExxonMobil and Peabody coal. The Democrats are only marginally better. Climate change has become the preeminent case study of the contamination of our political system by money.

**E**VEN BEFORE BUSH LEAVES OFFICE, THAT POLITICAL paralysis may now be changing, as growing segments of the business and finance communities are beginning to sense the enormous losses that will result from an increasingly inflamed climate.

One hopeful fact is that the oil industry is far from monolithic. While ExxonMobil, for example, has poured millions into disinformation about the true state of climate change, BP has re-branded itself as "Beyond Petroleum" and Shell has spent \$1 billion on developing clean energy subsidiaries.

BP Solar created the country's largest fully integrated solar

power plant in Maryland and recently the company committed an additional \$70 million to expand the facility. Two years ago the chairman of Shell, Ron Oxburgh, shocked the industry when he acknowledged that the threat of climate change makes him "really very worried for the planet." In early March 2007, both Shell and BP announced major investments in wind energy in the United States.

But privately many oil company chiefs say they are torn between the realities of an increasingly turbulent climate and the competitive dynamics of their own industry. In background discussions with me several years ago, the top executives of six major oil companies all acknowledged the dangers of climate change. None denied the kind of massive and abrupt changes we may soon be encountering (although few were willing to acknowledge the likelihood of what scientists label a "worst-case scenario").

To a person, each of these top oil executives said essentially the same thing. They are aware of the problem, but they are unable to act unilaterally. One executive summed it up by saying: "If I

## Growing segments of the business and finance communities are beginning to sense the enormous losses that will result from an increasingly inflamed climate.

put lots of money into solar, my company will be undercut by ExxonMobil. My company will lose market share. Its stock price will drop. And I'll be out of a job." (Because all these conversations were conducted on an off-the-record basis, the executives insisted on anonymity both for themselves and their companies.)

The only way out of this impasse, according to these executives, was summed up by one oil company CEO: "We need the governments of the world to regulate us so we can all make the transition [to clean energy] in lockstep. If we are all regulated to make these changes simultaneously, we can do it without any one company losing market share to the competition."

Predictably, these executives refused to go on the record in their support for binding rules. As one executive winked at the end of an interview, "If you ask me to go public on the need for government regulation, I'll swear this conversation never happened and that I never saw you before in my life." One exception, Lord Browne, the CEO of BP, candidly admitted in his recent piece in *Foreign Affairs*: "The business sector cannot succeed in isolation. Harnessing business potential requires fair and credible incentives to drive the process of innovation and change. In responding to global warming, that role must fall to the government ..."

Meanwhile, the insurance industry, which stands to lose the most among business groups, has become part of the coalition for radical change. One of the world's largest re-insurers, Swiss Re, has warned corporate clients it is prepared to withhold liability insurance from directors and officers of companies that do not reduce their carbon output.



In 2004 Swiss Re projected that within the decade, business losses from climate change will reach \$150 billion a year. In its report, the insurance giant noted, “There is a danger that human intervention will accelerate and intensify natural climate change to such a point that it will become impossible to adapt our socio-economic systems in time.” (Last year, a UN report upped the ante, saying that intensified climate change could cost the global economy \$1 trillion a year in losses over the next 35 years.) In contrast to the European insurers, the large American re-insurance companies are keeping silent politically and protecting themselves financially by refusing to insure large areas of coastal property, known storm corridors, and other areas that are especially vulnerable to climate impacts.

**ANOTHER REASON TO BE OPTIMISTIC IS THAT A GLOBAL ENERGY** transition would dramatically expand markets in the developing world (assuming the pace of climate change does not escalate out of control). Virtually all developing countries would love to go solar—if for no other reason than to improve the health and productivity of their citizens.

The most air-polluted cities in the world today are in China, Thailand (Bangkok), Chile (Santiago), Mexico, and a host of other third-world countries. A number of writers—Mark Hertsgaard (author of *Earth Odyssey*), John Pomfret (*Chinese Lessons*), and Jonathan Kaufman, former Beijing bureau chief of the *Wall Street Journal*, among others—have detailed ways in which monstrous levels of pollution are threatening the Chinese economy. The obstacle to change is that countries like India and

China (with their huge coal deposits) and Mexico and Nigeria (with their extensive oil reserves) cannot afford a switch to non-carbon energy sources without economic help.

Energy investments in developing countries would expand the overall wealth of the global economy. Development economists generally agree that every dollar invested in energy in poor countries creates more jobs and more wealth than the same dollar invested in virtually any other sector of their economies. The availability of cheap solar, wind, or small-scale hydro power in interior regions of Asia, Africa, and Latin America would generate thousands of small businesses and spur the development of new indigenous industries. Most forms of renewable energy, moreover, involve only a one-time capital investment with minimal ongoing operational costs.

Were the industrial world to help finance a global energy transition, it would create millions of jobs, both in poor nations and developed ones. It would raise living standards in developing countries without compromising ours. It would begin to turn impoverished and dependent countries into trading partners. Ultimately, it would jump the renewable energy industry into a central, driving engine of growth for the global economy.

However, there is also a much darker scenario for the third world, and for the world generally. As with other economic calamities, this one hits the poor hardest. Without a radical energy transformation, third-world cities, already among the world’s most polluted, will become even more toxic. As climate change intensifies, the most immediate casualties will be poor countries whose crops are destroyed by weather extremes, whose coastal areas are inundated by rising sea levels, and whose borders will be overrun by environmental refugees (whose total today already exceeds all other types of refugees combined). Climate impacts will erode purchasing power and shrink markets most immediately in the developing world.

The present path of climate change also augurs badly for political democracy. Third-world countries tend to have more fragile democracies; and when governments are confronted by breakdowns, they turn to their police and military power to maintain order. Even durable democracies are at risk. New Orleans Mayor Ray Nagin is certainly no dictator. But when Hurricane Katrina and its torrential aftermath inundated his city, the mayor had no choice but to bring in the National Guard to enforce evacuation orders, clear escape routes, and try to limit the predictable outbreak of looting and lawlessness.

**ULTIMATELY, IT FALLS ON THE SHOULDERS OF GOVERNMENTS TO** launch a public-private, North-South, global public works program to rewire the world with clean energy. The key elements of one such recipe include:

- a change in energy subsidy policies in industrial countries;
- the creation of a large fund to transfer clean energy to poor countries; and
- a binding regulatory mechanism that requires every country to gradually increase its fossil fuel efficiency, say by 5 percent a year.

In 2006 the United States spent about \$45 billion subsidizing oil, natural gas, and coal via tax breaks, waived royalties, and

direct outlays. In the industrial world overall, carbon fuel subsidies exceed \$200 billion a year. If those subsidies were removed from fossil fuels and put behind renewables, carbon-based energy would become more expensive (more closely reflecting its true cost). The energy industry, both old and new companies, would follow the money and become aggressive developers of fuel cells, solar panels, and windmills. That subsidy shift would also bring out of the woodwork an army of energy engineers and entrepreneurs—with successively more efficient generations of solar film and turbines and tidal devices—in an explosion of creativity that would rival the dot-com revolution of the 1990s.

The industrial nations need to create a large fund, estimated by experts at about \$300 billion a year for about a decade, to jumpstart renewable energy infrastructures in poor countries. This could be funded by carbon taxes in the North. It could come from a tax on international airline travel. A very promising mechanism involves a tax on international currency transactions of the sort originally proposed by the Nobel laureate economist James Tobin. Today the commerce in those currency transactions exceeds \$1.5 trillion a day. A small tax of a quarter of a penny on a dollar would net out to about \$300 billion a year for wind farms in India, fuel-cell factories in South Africa, solar assemblies in El Salvador, and vast, solar-powered hydrogen farms in the deserts of the Middle East.

The signatories to Kyoto should adopt within the treaty's framework a binding, fossil fuel efficiency standard that rises by 5 percent per year. This is a mechanism that would make it all work. Under this plan, every country would start at its current baseline

to increase its fossil fuel energy efficiency by 5 percent every year until the global 70 percent reduction was attained. That means a country would produce the same amount as the previous year with 5 percent less carbon fuel. Or it would produce 5 percent more goods with the same carbon fuel use as the previous year. Since no economy grows at 5 percent for long, emissions reductions would outpace long-term economic growth.

The transition could actually happen much more rapidly once new technologies came online. For the first few years of this progressive efficiency standard, countries would meet their goals by wringing the waste out of their current energy systems. After a few years, as those efficiencies became more expensive to capture, countries would meet the 5 percent goal by drawing more and more energy from renewable sources—most of which are 100 percent efficient by a fossil fuel standard. That, in turn, would create the mass markets and economies of scale for renewables that would bring down their prices and make them price-competitive with coal and oil.

**THERE HAS SELDOM BEEN A MORE STARK CHOICE BETWEEN TWO** opposite paths. If we move decisively toward a global future based on clean energy, the degree of needed cooperation and common purpose could promote broader peace and social justice, even in today's profoundly fractured world. This kind of initiative could also temper the outbreak of increasingly toxic nationalism. Since it is no respecter of national boundaries, the global climate makes us one.

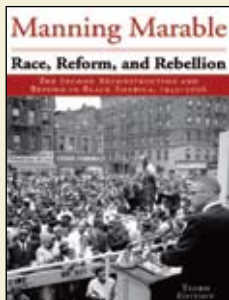
A growing number of the world's leading climate scientists agree that we are already too far along a catastrophic trajectory to avoid significant disruptions. The problem is compounded by the fact that carbon dioxide stays in the atmosphere for 100 years. So even if we stopped burning coal and oil tomorrow, we would still be facing a long spell of costly and traumatic disruptions.

An investment of \$300 billion is a lot of money, but the cost of continuing on the present path runs into the trillions. The real economic issue is whether the world will accomplish the energy transition in time to meet nature's deadline.

Looking at the transformative economic and political potential of a clean energy future, one can feel very optimistic. What injects a feeling of pessimism, however, is both the looming imminence of runaway climate change and the dismal lack of leadership by U.S. politicians of both parties. None of our political leaders—not George W. Bush, Hillary Clinton, Barack Obama, John McCain, Rudy Giuliani, Mitt Romney (not even Al Gore)—is willing to propose the kind of massive, urgent response that nature demands. What is needed—yesterday—is not a gradual, incremental energy transition but a revolution in our energy structure—an energy-based Manhattan Project that should have been accomplished at least ten years ago. The future of the world quite literally depends on whether U.S. leadership rises to the occasion. **TAP**

*Ross Gelbspan, a 30-year veteran journalist, is author of The Heat Is On (1998) and Boiling Point (2004), which contains more detail on his ideas for an energy transition. He maintains the Web site: [www.heatisonline.org](http://www.heatisonline.org).*

## A CRUCIAL POLITICAL AND SOCIAL HISTORY OF AFRICAN AMERICANS SINCE WWII



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# Shuttering the Sites

*Like its Chinese counterpart, the new military government of Thailand promotes more investment—and radically less free speech.*

BY NOY THRUPKAEW

**A** THAI WEB SURFERS MIGHT TELL YOU, **LIVING UNDER** a military government is no fun. Since April, Thai Internet users looking to YouTube for their favorite lip-sync performances, stupid-human tricks, or political-protest videos have been getting a real eyeful. Not the glorious heap of trash and treasure that the video-sharing site usually offers, but the “green screen” that the country’s Ministry of Information and Communication Technology (MICT) puts up when it blocks a site. Underneath a large logo of an eye, the Web site reads: “We’re sorry, this website is inappropriate ... If you have any feedback or wish to report any other inappropriate sites, please click on the eye above.”

The naughty content that sparked the Ministry’s ire was a video that covered a picture of widely revered King Bhumibol Adulyadej’s face with graffiti and with images of feet, which Thais consider an impure part of the body. “It’s a serious case of *lèse-majesté*,” said MICT Minister Sittichai Pookaiyaudom, and although YouTube’s owner, Google, removed four of the 12 offending videos that cropped up, the site remains blocked in Thailand. Critics of the current government weren’t convinced of the *lèse-majesté* justification, however, speculating that YouTube was blocked to prevent access to interviews in which former Prime Minister Thaksin Shinawatra, deposed in a coup last September, defended his time in office.

For the average Internet user, the green screen offered no explanation, but it sent a clear message from the military government. And with the passing of new cybercrime legislation in May, the government is turning the message into law. The Bill on Computer-Related Offenses (which awaits the king’s likely assent) grants broad powers to MICT officials to record and seize computer data and personal user-identification information, and to block information it deems a threat to national security. Penalties include up to five years of imprisonment and fines up to 100,000 baht (around \$3,000, the approximate average annual income in Thailand).

The cybercrime law is just one more strike against democracy in Thailand, according to media activists in Thailand and Human Rights Watch. “The Internet is the greatest attempt at participatory democracy that we’ve ever had,” says long-term

Thai resident CJ Hinke, founder of Freedom Against Censorship Thailand (FACT). “And we’ve cut the pipe in Thailand.” With its new cybercrime bill, its scuffles with YouTube and Google, and massive increases in blocked sites, Thailand seems to be emulating the “China model” of the Internet—open to economic development, closed to free speech. This sort of censorship, accomplished with the collusion of international IT companies seeking emerging markets, could create a “virus of Internet repression,” according to a new Amnesty International campaign on Internet censorship.

More locally, the cybercrime law—the first law passed by the military government—seems to bode ill for Thailand’s political process. After the September coup, army officials reassured a worried public that they supported democracy and political reform, and would draft a new constitution and hold elections within a year’s time. Since then, however, the Constitutional Court banned Thaksin’s Thai Rak Thai party, barring him and his 110 party officials from participating in politics for five years. That court ruling came after months of political censorship: Since the September coup, the government’s blocking of Web sites went up more than 400 percent, and journalists working in TV, radio, and film report a marked increase in cuts and control, nearly all of it justified under *lèse-majesté* law, national-security concerns, and charges of offending Buddhism. Thailand has dropped to No. 127 out of 194 countries in the Freedom House’s press-freedom rankings, compared to No. 29 in 2000. “We thought that censorship was bad during the Thaksin period, but the [new government] is attacking press freedoms in a way Thaksin never did,” said Supinya Klangnarong, a media-reform advocate and co-organizer of Freedom Against Censorship Thailand.

**AS SUPINYA NOTED, PRE-COUP THAILAND WASN’T A LOST EDEN OF** press freedom. Dubbed the “Berlusconi of Bangkok,” Thaksin swept elections in 2001 and 2005 on media-savvy campaigns. In 2000 Thaksin’s family’s company, Shincorp, purchased a controlling share in the country’s only independent TV channel—the perfect perch from which to peddle his CEO image, which he cleverly joined with populist policies for the poor, including village development plans and a universal health-care policy. Thaksin



and his business allies also threatened to yank their private advertising from publications that questioned his policies, pulled strings to remove recalcitrant editors and writers, and, most notoriously, filed a 400-million baht (\$11.7 million) lawsuit against media advocate Supinya after she stated that the business interests of Thaksin's family benefited from his government policies. (Supinya was acquitted after a two-year battle in the courts.)

Thaksin's policies and his business jockeying alienated an already suspicious upper class, and he was rumored to have offended the monarchy with his arrogance and his successful wooing of Thailand's rural poor—traditionally the king's most loyal base. So by the time the prime minister sold his family's \$1.9 billion telecom business to the Singapore government's investment arm, the conditions were ripe for revolt. Clad in the yellow shirts affiliated with the Thai monarch, critics held

boards at the daily independent Web newspaper *Prachatai* lit up with questions concerning the possible connection between the king and the coup, according to editor Chuwat Rerksirisuk. "Thai society has not been open about these sorts of questions at all," said Chuwat. "The media ... censors itself, and doesn't really include the opinions of the opposition."

Within a few months, officials from the national police forces, the military, and the MICT began to call *Prachatai* offices suggesting that the organization censor itself or face a shutdown. *Prachatai* always had a policy of deleting ad hominem attacks, including those on the monarch, says Chuwat. But the publication refuses to censor other comments and faces escalating official pressure. Despite this, Chuwat is holding firm.

Other sites haven't been so resistant or so lucky. According to FACT's analysis of the MICT's secret block list, 11,329

Web sites are blocked in the country, and 90 new Web sites were blocked in May—each of them political in nature. Minister Sittichai denies the rampant censorship: To the press, he declares he hasn't blocked more than 30, all of them pornographic, despite clear evidence to the contrary.

## Thailand's new rulers have blocked 11,329 Web sites and posted armed troops in TV and radio stations.

protest after protest beseeching the king to remove Thaksin. They called themselves the People's Alliance for Democracy, seemingly oblivious to the irony of their name, given that their ad hoc coalition was composed largely of Bangkok intelligentsia asking a monarch to depose a democratically elected leader. Anti-Thaksin videos and satirical Chinese political plays flourished, and restaurants all over town were running out of gourd-leaf stir-fry—ordering "*fahk maew*" allowed diners to enjoy a tasty dish and swear in English at the prime minister, often called "Maew," a derogatory ethnic slur for the Hmong people who live near Thaksin's Chiang Mai hometown.

The tanks rolled into Bangkok on September 19, 2006, although the coup turned out to be a bloodless one. A day after the Royal Thai Army seized the capital, junta leader General Sonthi Boonyaratglin announced that the king had recognized him as the head of the interim Council for Democratic Reform under Constitutional Monarchy. The royal imprimatur brought anti-Thaksin hordes to the streets to offer food to the soldiers; tourists posed by tanks decorated with royal yellow ribbon. Underneath the Disneyland veneer, however, was something darker—the junta had declared martial law, suspended the constitution, and disbanded the Parliament and the Cabinet.

The coup government had branded itself as a cure to Thaksin's corruption, immorality, and irreverence to the king, and its members took their watchdog job seriously. Armed troops were stationed in TV and radio stations. Those media outlets that were not occupied, like 300 community-radio stations in Thaksin strongholds in the North, were told to suspend broadcasts entirely. International media did not escape the Council's chokehold: Four days after the coup, the interim government declared it would "urgently retaliate against foreign reporters whose coverage has been deemed insulting to the monarchy."

Foreigners weren't the only ones asking questions about the coup. In the hours after Thaksin's overthrow, the message

Some of the Web sites have fought back. After the staff of Midnight University, an alternative educational center based in the northern city of Chiang Mai, held a demonstration against the coup government, their Web site was blocked on September 29, cutting off thousands of articles and discussions boards. The staff members launched a media blitz, contacting Thai and international journalists and academics. As a result, said rector Somkiat Tangnamo, they succeeded in wresting an order from the Administrative Court to unblock the Web site.

Apichatpong Weerasethakul, Thailand's most prominent filmmaker, is also refusing to stand down. The film-censorship committee decreed that the Cannes-award winning director's *Syndromes and a Century* needed four cuts—scenes including a monk playing a guitar, a doctor drinking on the job, a doctor and his girlfriend kissing in the hospital, and a monk playing with a remote-controlled toy. After Apichatpong declined to cut his film, the censorship committee refused to return the work. "The censorship committee doesn't see films as personal art or a reflection of reality. They think of it as ... a tourist brochure or propaganda," said Apichatpong. The filmmaker is at a stalemate with the censors—his film undistributed but uncut. But international media attention and pressure around his case is growing every day.

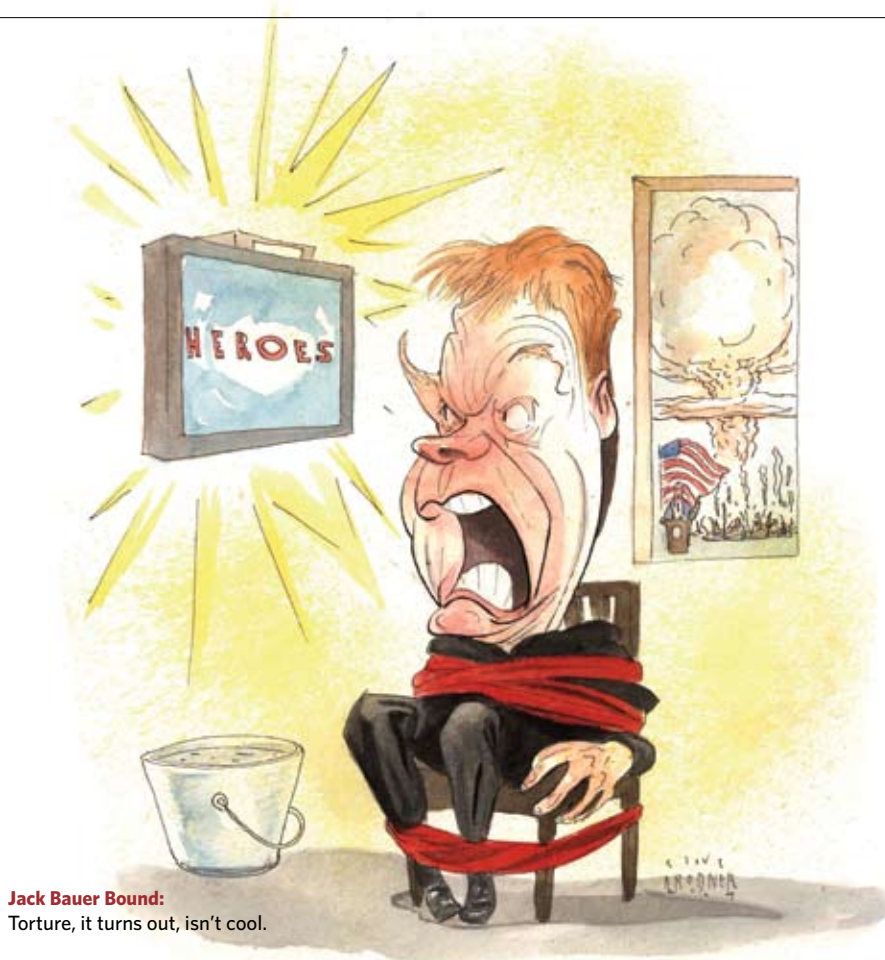
Cases like Apichatpong's are as rare as self-censorship has become epidemic. This is not surprising in light of ever-expanding government intrusion. Even as they added to their Web-site block list, the generals sent out messages to millions of cell-phone users the weekend after the Constitutional Court banned Thaksin's party, advising them to "exercise your judgment about whether to attend anti-government protests." The eye on the green screen, it appears, sees far beyond the Web. **TAP**

*Noy Thrupkaew* is a senior correspondent for The American Prospect.

# Culture & Books

*"September 11 ushered in a new breed of specialists who emphasized terrorism and weapons of mass destruction to the exclusion of other perils."*

— PAGE 56



**Jack Bauer Bound:**  
Torture, it turns out, isn't cool.

## MEDIA

### BEYOND FEAR

*The NBC hit Heroes is the anti-24. Its emergency-powers president is the villain—and viewers love it.*

BY GARANCE FRANKE-RUTA

WHEN PETITE, BLONDE DIXIE Chicks lead singer Natalie Maines told a British audience ten days before the 2003 American invasion of Iraq: "Just so you know, we're on the good side with y'all. We do not want this war, this violence, and we're ashamed that the president of the United

States is from Texas," the political climate was such that she rapidly found herself the subject of international controversy. War supporters burned the group's CDs, and the three-woman alternative country rock band lost half its audience, which at the time was more partial to Toby Keith's *Shock'n Y'all*-style bluster

than to the Chicks' anti-war doubts, at concerts over the next year.

Go back to that moment in your mind. Imagine what would have happened if a television show had dared to suggest that the anniversary of September 11 was anything less than a sacred moment for national reflection and mourning, or that the president was a jingoistic impostor using the specter of terrorism for evil, selfish, and ultimately un-American ends. Most likely such a show would have sparked national outrage, advertisers would have fled, and the writers and actors would have been forced to grovel in apology on the national stage in order to keep working.

But, oh, how times have changed. The misguided invasion of Iraq has gone sour, and so, too, has the American public, among whom Bush supporters now number roughly 30 percent. In June, more than four years after the Chicks were bashed for opposing the president's war, Maines' husband, the actor Adrian Pasdar, portrayed on a prime-time network series a terrorism-era American president who is the living embodiment of evil—and won the best audience numbers in his time slot.

The hit show is NBC's *Heroes*, a meandering sci-fi epic about a band of normal-looking men and women whose genetic anomalies grant them extraordinary powers and link them in a shared struggle to prevent a nuclear explosion in New York City. With the penultimate episode of its first season, which aired in May, the show moved from the realm of fantasy into biting political commentary, filled with ripped-from-the-headlines scenes unimaginable during the peak years of the Bush administration. In that episode, the show flashed forward to a post-attack future whose fifth-anniversary memorial service visually echoed the first September 11 commemoration, and was presided over



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by a platitudinous president who has used the terrorism attack to suspend laws and persecute those who disagree with him.

Middle East scholar Juan Cole has compared *Heroes* to FOX's anti-terrorism hit *24*; the affection of the lead character in that show, Jack Bauer, for "enhanced interrogation" techniques has become such a cultural touchstone that it cropped up during a Republican presidential primary debate. "I'm looking for Jack Bauer at that time, let me tell you," Colorado Rep. Tom Tancredo declared at the second GOP presidential debate, after being conveniently presented with a *24*-style ticking-nuclear-timebomb scenario by FOX's news division, which was hosting the debate.

"But while *24* skews to the right politically, *Heroes* seems like a left-wing response" to September 11 and the rise of international terrorism, Cole wrote. More than that, the show represents the passing of the moment in which fear of terrorists and fear of the president ruled, and both were used to justify actions that

world they don't quite understand, with fresh betrayals and revelations in every episode, the heroes slowly recognize their destiny: to learn to control their powers, and through this self-restraint and self-mastery, to "save the world."

As such, they are descendents of an older tradition in American television, which pits heroic individuals against the corrupt political sphere or government forces. Where *24* makes heroes of its state agents, *Heroes* sharply questions their actions.

THE PLOT OF *HEROES* IS COMPLICATED, going back and forth between time periods, with the narrative thread of past and future constantly evolving from episode to episode in response to the characters' interventions, and new mutants being revealed as old ones are captured or killed off. Even the characters rely on comic books that tell the future to help guide them through the plot twists and turns.

*Heroes represents the passing of the moment in which fear of terrorism and respect for the president dominated the public's consciousness.*

undermined America's values, legal traditions, and citizens' ability to freely criticize their leaders. While *24*, which airs Monday nights on FOX against *Heroes*, makes heroes of its torturing CIA agents, *Heroes*' heroes are everyday men and women called to greatness by the necessity of their times: a cheerleader, a Japanese salaryman, a bumbling cop who can never quite get that promotion. They are civilians hunted by the FBI—portrayed in the show's pre-attack moments as a feckless organization that fails to grasp what's truly going on, and that doesn't listen to whistle-blowers and warnings, to boot—and forced to fend off the storm troopers of the post-attack Department of Homeland Security with *Matrix*-like superpowers and samurai swords. To be sure, they sometimes go awry when using their powers, over which they have imperfect control, injuring innocents or endangering themselves. Trapped in a

In the penultimate episode, the camera shows us one possible future in a Las Vegas club, where Niki, one of the ensemble show's many recurring characters, is working as a stripper in the wake of the heroes' inability to stop the nuclear bomb from exploding in New York, an attack that claimed her son and husband. In this episode, as the caption "America Remembers" flashes across a TV screen, overlaid on the image of fires licking the ruins of New York, Niki sighs, "Today's just another day." Her reaction to the anniversary of this fictional attack seems apposite given the real world, where the current mayor of New York, Michael Bloomberg, can tell reporters in the wake of a recent bomb scare: "There are lots of threats to you in the world. There's the threat of a heart attack for genetic reasons. You can't sit there and worry about everything. Get a life."

Later in the show, Niki sees President

Nathan Petrelli (Adrian Pasdar)—a fellow mutant—on the TV screen at the fifth-anniversary memorial service, a huge American flag in the background, the stars of the presidential seal on his podium before him. Niki, earlier restrained in her grief, throws a glass at the screen as Petrelli launches into a speech filled with platitudes that should be recognizable to us all. He praises the “sacrifices” that the population has made and “the laws that we have had to pass to keep our citizens safe ... We’ve all lost. We’ve all mourned. And we’ve all had to become soldiers, heroes. This is a battle that we’ve entered knowing that the enemy is ourselves,” he intones, before declaring a false victory against the mutants in the form of a “cure” that is really a poison. “We’ve been vigilant. We have been uncompromising, and our efforts have paid off. The nightmare is finally over. The world is safe.”

In fact, as the show continues, it is soon clear that the world has never been less safe, for that talking head is not Nathan Petrelli at all, but the evil Sylar, a man who kills the mutants to steal their powers. He’s the show’s vicious anti-hero, who, in the flash-forward, is believed to have caused the explosion, having stolen the powers of a radioactive man. At the time of his presidential impersonation, he has added shapeshifting to his repertoire of skills, and has dragooned the entire apparatus of the U.S. state into his quest for new mutants whose powers he can steal.

Sylar, in his own way, is a victim of the same lack of self-control as Nathan’s brother Peter Petrelli, a former nurse who innocently absorbs other mutant’s powers and who is revealed in an earlier episode to be the actual exploding man—a “human bomb”—who cannot control the radioactive powers he absorbed involuntarily from another character. Sylar, too, cannot control his urge to destroy. It’s up to the others to stop him.

In the final episode of the first season, which jumps back to the main, pre-explosion plot five years earlier, Nathan, who can fly, saves Peter and the world by grabbing his brother and flying him up into space as his hands pulse orange, mere moments before he explodes (shades of Superman). Peter, who has

absorbed the power of regeneration, will be back next season. But Nathan may well have made a real sacrifice, laying bare the ultimate lesson of this antidote to 24. It is not in torture and the frantic tossing off of our legal standards that we

find freedom and safety, but in learning to control our vast and growing power in response to the threats we know we face. And, should any individual fail to do so, we have a responsibility to rein that person in. **TAP**

## BOOKS

# HOW RIGHTS BECAME HUMAN

**INVENTING HUMAN RIGHTS: A HISTORY** BY LYNN HUNT

W. W. Norton, 272 pages, \$25.95

BY TARA MCKELVEY

**I**N AUGUST 2006, I BECAME THE first—and only, as it turns out—journalist to speak with Lynndie R. England at the Naval Consolidated Brig Miramar in San Diego. I got to know her as she sang “The Raindrop Song” to her two-year-old son in the visiting room. She also told me she had been training puppies at the prison to work with people suffering from psychological problems. This was the same woman who was photographed holding a naked prisoner on a tether at Abu Ghraib.

The contrast between England’s callousness in one sphere and her compassion in others raises a problem that goes beyond the peculiarities of her case: To what extent is a general capacity for empathy a basis for the recognition of human rights? In her new book, the cultural historian Lynn Hunt argues that the two are connected. The development of an “internal moral sense,” in Hunt’s view, has been a crucial element in the invention of human rights.

In the American Declaration of Independence of 1776, it is “self-evident” that man has “certain unalienable rights.” And the French Declaration of the Rights of Man and Citizen of 1789 declares, “Men are born and remain free and equal in rights.” But it was not always understood that way. Traditionally, men—and men alone—had rights on the basis of their social position and membership in a polity, not simply as human beings.

It was only in the 1700s that the notion of universal human rights (or, as Hunt

puts it, “equality, universality, and naturalness of rights”) emerged on the political stage. The story of how the concept of universal human rights evolved in the 18th century is rooted in the social and intellectual developments of that time and encompasses a lively cast of characters, ranging from Jefferson and Diderot (pro) to Bentham (con). Hunt, who is also the author of *Politics, Culture, and Class in the French Revolution*, tells the story well. She attributes the political shift to the new forms of art and literature of the 18th century, playing down the importance of Locke, Kant, and other philosophers of the Enlightenment. In other words: sensibility first, reason second.

Human rights, as Hunt explains, had not been an issue in France. Prisoners were routinely burned with hot irons, broken on the wheel, and burnt at the stake in the 1700s. At the time, the abuse was so acceptable that the word “torture” was more likely to be used to describe the agony of a writer than that of the condemned. The novelist Marivaux, for example, wrote about “torturing one’s mind in order to draw out reflections” in 1724. It was not until Montesquieu’s 1748 *Spirit of the Laws*, Hunt writes, that “legally authorized torture to get confessions of guilt or names of accomplices” became a subject of concern.

Voltaire and other intellectuals joined the campaign to establish universal human rights, and by the 1780s, “the abolition of torture and barbarous forms of corporal punishment had become essen-

tial articles in the new human rights doctrine.” The concept of universal human rights came about in the 18th century because of an altered perception of the individual, she argues, describing a trend toward interiority that could be seen in the popularity of cultural forms such as the epistolary novel, the transformation of the opera, and the design of houses. Literature, she says, was an especially powerful influence.

“Readers of novels learned to extend their purview of empathy,” she writes. “Aristocratic characters such as Don Quixote and the Princess of Cleves, so prominent in seventeenth-century novels, now gave way to servants, sailors, and middle-class girls.” Novels written in the form of letters, including Samuel Richardson’s *Pamela* (1740) and Rousseau’s *Julie* (1761), took Europe by storm. “You cannot go into a house without finding a *Pamela*,” wrote a French cleric in 1742. In these novels, Hunt argues, “readers become more aware of their own and every other individual’s capacity for interiority.” This led to a heightened willingness to embrace the rights of the individual.

“What might be termed ‘imagined empathy’ serves as the foundation of human rights,” she writes. “Accounts of torture produced this imagined empathy through new views of pain. Novels generated it by inducing new sensations about the inner self. Each in their way reinforced the notion of a community based on autonomous, empathetic individuals who could relate beyond their immediate families, religious affiliations, or even nations to greater universal values.”

Here, for example, is Diderot on Richardson’s novels:

One takes, despite all precautions, a role in his works, you are thrown into conversation, you approve, you blame, you admire, you become irritated, you feel indignant. How many times did I not surprise myself, as it happens to children who have been taken to the theater for the first time, crying: ‘Don’t believe it, he is deceiving you ... If you go there, you will be lost.’

Yet the cause-and-effect relationship—the idea that reading novels and other

imaginative literature led to acceptance of the rights of people who were not members of one’s own community—is not clear. Americans of the Revolutionary era were not avid novel readers, but they had many of the same ideas as the French. Nonetheless, Hunt builds a case for a causal connection, claiming, for example, “novels worked on readers to make them more sympathetic toward others, rather than just self-absorbed, and therefore more moral.”

At times, Hunt gets carried away with her analysis, making tenuous connections between cultural and neurological developments. She argues, for example, that reading “had physical effects that translated into brain changes and came back out as new concepts about the organization of social and political life.” As proof she says, “diseases such as autism show that the capacity for empathy—for the recognition that others have minds like your own—has a biological basis.” But because she has no evidence that reading novels changes the brain—much less how neurological change generates a concept such as human

## READING LIBERALLY

### Our Editors at the Bookstore

This year brings a bumper crop of books about liberal politics and ideas, and three of those books come from the co-founders of this magazine.

The first of the three to appear was Paul Starr’s **FREEDOM’S POWER: THE TRUE FORCE OF LIBERALISM**, published in April by Basic Books. *Freedom’s Power* is both a historical interpretation of liberalism and a defense of its modern egalitarian and inclusive form. The book argues “that freedom requires power in the form of a strong and capable constitutional state and that modern democratic liberalism—by enlarging that state in some respects while constraining it in others—makes it possible for a society to achieve both greater power and greater freedom.”

Robert Reich’s **SUPERCAPITALISM: THE TRANSFORMATION OF BUSINESS,**

**DEMOCRACY, AND EVERYDAY LIFE**, to be published by Knopf in September, explores why capitalism has become supercharged but democracy has been enfeebled in America during the past 30 years. Rejecting the view that globalization has inevitably shifted power to corporations, Reich emphasizes that citizens still have the power to determine the rules of the game: “Keeping supercapitalism from spilling over into democracy is the only constructive agenda for change,” Reich maintains.

Robert Kuttner’s **THE SQUANDERING OF AMERICA: HOW THE FAILURE OF OUR POLITICS UNDERMINES OUR PROSPERITY**, to be published by Knopf in November, discusses how the instruments that allowed postwar America to be a more equal and fair society—economic regulation, progressive taxation, trade unionism, and constraints on speculative financial capital—have been systematically weak-

ened by the elite capture of politics. The influence of economic elites, Kuttner also argues, prevents the Democrats from addressing the pocketbook frustrations of ordinary voters, and he calls for a revival of bold progressivism as a way to reclaim both politics and economics.

In addition, senior editor Tara McKelvey has published **MONSTERING: INSIDE AMERICA’S POLICY ON SECRET INTERROGATIONS AND TORTURE IN THE TERROR WAR** (Carroll & Graf, April). Based on her original reporting, the book investigates, as she has put it, “what happened beyond the frame of the Abu Ghraib photos.”

Two senior correspondents also have new books: Joshua Kurlantzick, **CHARM OFFENSIVE: HOW CHINA’S SOFT POWER IS TRANSFORMING THE WORLD** (Yale University Press, April) and Chris Mooney, **STORM WORLD: HURRICANES, POLITICS, AND THE BATTLE OVER GLOBAL WARMING** (Harcourt, July).



rights—the argument is at best a stretch.

While her general historical thesis about the relationship of cultural change and rights may not be airtight, it is intriguing. By the late 1700s, she argues, a new concept of selfhood had led to a broader understanding of human rights and a condemnation of judicial torture: A prisoner's body was private and could no longer be broken in order to teach society a lesson. Yet there were still serious objections to the idea of universal human rights. In 1775 Jeremy Bentham ridiculed the idea of natural rights and later claimed instead that a utilitarian principle ("the greatest happiness of the greatest number") was a better basis for determining just laws and policies. In other words, the safety of the majority can justify sacrificing the rights of the individual. His argument has been updated as the ticking-bomb theory, which everyone from President Bush to 24's creative staff has used to defend harsh interrogation techniques.

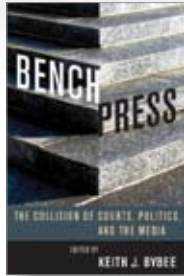
Critics of individual rights also dismissed them as a distraction from higher social aims. For Marx the idea of universal human rights was merely a bourgeois concern. Hunt notes that "Socialist and Communist organizations inevitably downgraded the importance of rights as a goal."

Despite its opponents, the concept of human rights triumphed with the United Nations' Universal Declaration of Human Rights in 1948. But clearly "the hope of stopping barbarous 'acts' has not been fulfilled," Hunt writes. "South Africa, the French in Algeria, Chile, Greece, Argentina, Iraq, the Americans at Abu Ghraib—the list never ends."

That August afternoon at the brig, Lynndie England watched a golden retriever playing in a sunlit yard and talked about the puppies she was teaching to assist people who suffer from panic attacks. She is certainly capable of empathy, even though she participated in torture at Abu Ghraib. And that is the enduring problem: Whatever role it played in inventing human rights, a modern sensibility offers no immunity from abusing them. **TAP**

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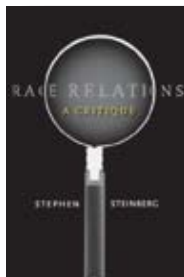
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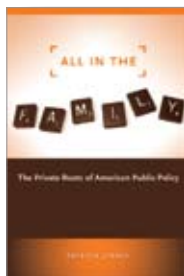
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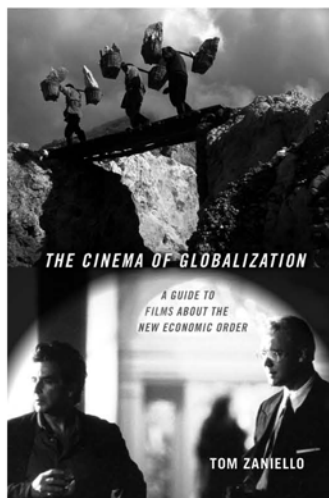
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**BOOKS**

## WHY WE ARE VULNERABLE

**THE NEXT CATASTROPHE: REDUCING OUR VULNERABILITIES TO NATURAL, INDUSTRIAL, AND TERRORIST DISASTERS** BY CHARLES PERROW, Princeton University Press, 377 pages, \$29.95

**THE EDGE OF DISASTER** BY STEPHEN FLYNN, Random House, 240 pages, \$25.95

**AMERICANS AT RISK: WHY WE ARE NOT PREPARED FOR MEGADISASTERS AND WHAT WE CAN DO NOW** BY IRWIN REDLENER, Alfred Knopf, 273 pages, \$24.00

BY KATHLEEN TIERNEY

**T**HE DISASTERS OF THE PAST SIX years have made the business of crisis management lucrative and even sexy. In the wake of September 11 and Hurricane Katrina, experts in the field have been awash in new funds, consulting contracts, and media attention.

But the skewed perceptions and politics of recent years have distorted crisis management itself. September 11 ushered in a new breed of specialists—the "9-12 people"—who emphasized terrorism and weapons of mass destruction to the exclusion of other perils. Though often lacking in knowledge and experience, they played on public anxieties, promoted secrecy over openness, and resurrected old ideas about the need for tight, closed command-and-control structures to manage disasters. Populating the new Department of Homeland Security, they marginalized or drove out knowledgeable disaster managers in the Federal Emergency Management Agency and other parts of the government.

The 9-12 worldview reflects the logic that Ron Suskind describes in *The One Percent Doctrine*: If there is even the smallest chance of a terrorist incident, according to this view, the government ought to treat it like a certainty and do everything to stop it. To the 9-12 people, every town and hamlet, not just every urban center, is riddled with terrorist targets. On that premise, the Department of Homeland Security, in 2003, began formulating requirements for communities around the country to prepare for 13

possible events, including attacks with nuclear weapons, dirty bombs, and nerve and blister agents. The trouble is that a preoccupation with remote contingencies comes at the expense of preparing for more likely disasters. Only after a bureaucratic struggle were hurricanes and earthquakes included in the list of events for which communities were required to prepare.

Then came Katrina, the catastrophe that many disaster researchers had predicted: massive winds and storm surges over an impact area the size of Great Britain; colossal levee breaches; more than 1,800 killed; hundreds of thousands left homeless and permanently displaced; direct losses of over \$120 billion; and now the sad and prolonged struggle for the survival of one of the nation's most distinctive cities. Katrina exposed catastrophic flaws in the nation's system for managing large-scale disasters, and it shocked the world, vividly exposing how our class system structures the fates of disaster victims. The response to Katrina was an utter debacle, and the slow recovery is a national disgrace.

The Katrina experience, however, is causing a slight corrective swing in disaster management, turning attention to how the nation can better prepare for, respond to, and recover from all types of perils, whether arising from natural forces, industrial or technological hazards, or acts of terrorism. The "all hazards" approach that is now being floated in the wake of Katrina is exactly the strategy that government agencies, researchers,





**The Response Was Also a Disaster:** Flooded neighborhoods in New Orleans, August 2005.

and practitioners had been following since the early 1980s and that was scrapped following 9-11. Now even some in the 9-12 punditocracy seem ready to acknowledge

that perils other than terrorism threaten our society and that objective, risk-based approaches to managing hazards are what the nation needs.

The three books under review here reflect this more balanced post-Katrina mindset. They recognize the common sources of our vulnerability to all types of extreme events and the need to follow common strategies to minimize risks. The books are, to varying degrees, formulaic. The authors present an impressive array of worst-case scenarios that runs the gamut from a terrorist attack on petrochemical facilities in south Philadelphia that sends a toxic cloud wafting over a large crowd at a Phillies-Mets game, to avian flu in New York, to catastrophic earthquake-induced levee failures in Northern California. Once readers are afraid—very afraid—the authors discuss why the nation remains so vulnerable and then suggest remedies to make us safer.

Sociologist Charles Perrow is most emphatically not a 9-12 person. His 1984

book *Normal Accidents* and his many publications analyzing how and why technological systems are vulnerable to disaster have achieved iconic status in academic circles. In *The Next Catastrophe*, Perrow extends his analysis to incorporate “natural” disasters and terrorism more fully. (I put “natural” in quotes because there is always a social factor in the chain of events leading to the human suffering and economic losses that a disaster brings.) For too long, researchers and practitioners have been divided along peril-based lines, with some focusing on hurricanes, floods, and earthquakes, others concentrating on industrial and technological events, and the 9-12 people preoccupied with terrorism.

Extending his earlier research on the systemic sources of catastrophe, Perrow’s book shows how disasters as diverse as 9-11, Katrina, the Challenger accident, and massive power-grid failures can be traced to three types of organizational pathology.

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The first are organizational failures, in which workers and managers do not perform their roles effectively. Organizations responsible for reducing risks become ineffectual for many reasons: inertia, loss of expertise, insufficient resources, complacency. Organizational failures also occur when personnel continue to follow everyday rules that are clearly inappropriate for emergency situations. FEMA's overbureaucratized response to Katrina comes to mind.

Executive failures are a second contributor to disaster. The Bush administration's failure to anticipate the 9-11 attacks and its blundered response to Katrina are conspicuous examples.

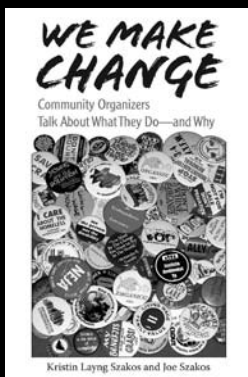
Third, the failure to apply and enforce regulatory standards and effectively oversee organizational operations compromises our capacity to prevent disasters. Such failures develop, for example, when regulators are captured by the industries they are supposed to regulate, and institutions permit lax enforcement.

These pathologies take place in the context of changes in physical, social, and economic systems that increase the potential magnitude of disasters. As a result of corporate economies of scale, hazardous materials and manufacturing are ever more concentrated, raising the potential for catastrophic industrial accidents and terrorist strikes. The growing density of people and infrastructure in large urban hubs and other areas that are vulnerable to hazards has already caused disaster losses to soar and will continue to do so. Infrastructure systems are now so complex and interdependent that they create risks of cascading system failures such as those seen during Katrina and the East Coast power outages of August 2003. To counteract these trends, Perrow emphasizes the need for greater decentralization and "target shrinking" strategies.

National-security expert Stephen Flynn is not a 9-12 person, but he writes like one. Flynn's 2004 book *America the Vulnerable* pointed to complex systems

such as transportation networks and industrial- and food-supply chains as offering a variety of tempting targets for terrorists. That volume, which represented the apotheosis of 9-12 thought, focused exclusively on terrorism and said nothing about America's vulnerability to more likely events such as large floods and hurricanes. Written in the same breathless style, Flynn's new book *The Edge of Disaster* now ventures into the all-hazards terrain, whipping through a series of worst-case scenarios, ignoring their relative likelihood, and often arguing for the same measures that loss-reduction professionals have advocated for decades (for example: "Don't encourage construction along vulnerable coastlines and in flood-prone areas"). Flynn also calls attention to many of the same organizational pathologies that Perrow discusses: risky practices and lack of accountability within institutions, regulatory failures, and the institutionalized incapacity to recognize the threats inherent

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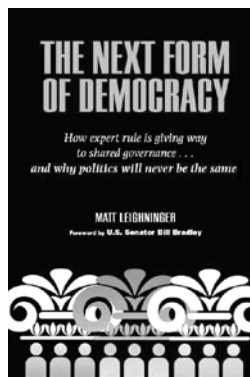
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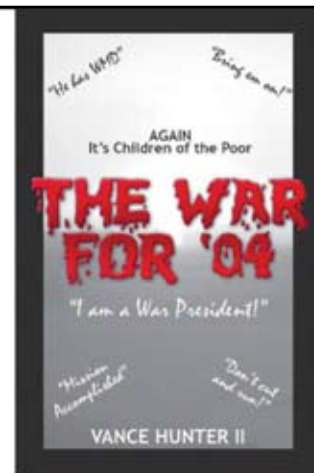
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in complex and interdependent systems.

Irwin Redlener's *Americans at Risk* also reprises the many organizational and institutional problems that helped bring about 9-11 and Hurricane Katrina. *Americans at Risk* is perhaps the most emotionally charged of the books considered here, owing perhaps to the author's direct involvement in relief efforts during the Katrina catastrophe. As a physician, Redlener is concerned with systemic weaknesses in the nation's health-care and public-health

dimensions can the nation protect itself against risks of all types.

None of the authors, however, address the dirty secret that disasters do not matter much in U.S. society, except to those people unfortunate enough to become their victims. There is virtually no sustained political support for disaster preparedness and loss reduction. Advocates for improved disaster-safety measures typically must work to overcome governmental indifference, political opposition, and public apathy.

*The dirty secret is that disasters do not matter much in American society, except to the people unfortunate enough to become their victims.*

systems that undermine their capacity to respond to emerging threats ranging from pandemic flu to mass-casualty catastrophes. He also grapples with the question of why Americans remain so reluctant to plan for disasters and offers sound advice on how we can become better prepared. Yet while highlighting the strengths of civil society in disaster response, he calls for an expanded role for the military—a move that most emergency-management professionals and researchers would not support.

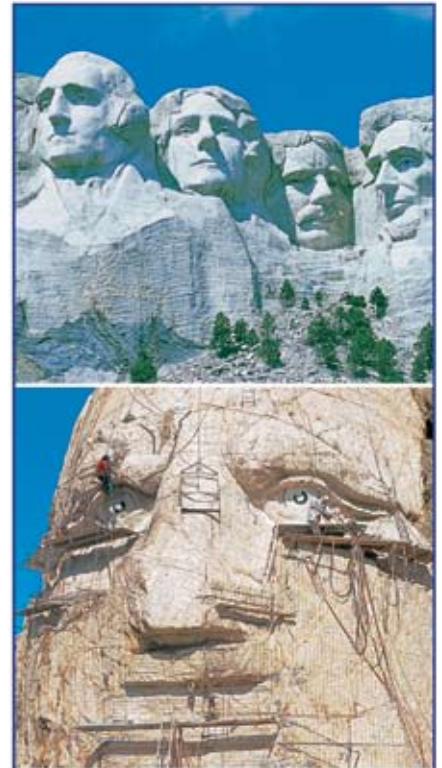
The three books have a lot in common. The authors discuss at length the many weaknesses in our homeland security and emergency management systems, and they call attention to the inherent vulnerability of the complex systems on which the American way of life depends. They also stress that secrecy is the enemy of safety because the public needs to be informed and engaged in preparedness efforts, and because secrecy permits organizational pathologies to fester.

All three books also emphasize the need for resilience—a robust capacity to withstand extreme events and to rebound when disasters occur. Realistically, extreme events of all types are part of our nation's future, and when prevention and mitigation prove inadequate, we have to be ready to respond and rebuild. Only by increasing resilience in its many

Landowners, developers, the real estate lobby, and the other groups that make up the growth machine dominating local politics stand ready to oppose and water down loss-reduction measures. Industry demands less oversight, and government obliges. When oil interests come up against wetlands, oil wins. The almighty market must operate unfettered, disasters notwithstanding.

The reality is that disasters are part of the nation's cost of doing business. How else can we explain the fact that the potential for catastrophic disaster has been allowed to explode? Although insurers may quake at the costs, hundreds of billions of dollars in disaster losses can readily be absorbed by the U.S. economy. Victims of catastrophe can dig into their own savings or seek compensation through government programs, insurance, and charity. Although all three books make many convincing points about how to reduce our vulnerability to disasters, they skirt around the uncomfortable fact that so much of our vulnerability is political and economic in origin. **TAP**

*Kathleen Tierney is a professor of sociology and director of the Natural Hazards Center at the University of Colorado. She is the senior author of Facing the Unexpected: Disaster Preparedness and Response in the United States.*



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# Forget Those Treaties!

BY THOMAS GEOGHEGAN

**H**ERE'S THE QUESTION OF THE DAY: CAN THE UNITED States ever ratify a treaty, be it Kyoto or the Rome Statute for the International Criminal Court (ICC), and take its rightful place in the governance of the world? Not likely—unless we give up the anachronism of ratifying

treaties. Let's just ignore the Treaty Clause (Article II, section 2, clause 2) of the U.S. Constitution: "[The president] shall have Power ... with the advice and consent of the Senate, to make Treaties, provided two thirds of the Senators present concur ..."

Two-thirds! And that's two-thirds of a Senate which overrepresents Idaho, Wyoming, and America's backwoods. Remember Woodrow Wilson, or Jimmy Carter, struggling to get through their treaties. Even if the Democrats win the White House and the Congress in 2008, any liberal president will be as paralyzed as Wilson was if he or she tries to revive Kyoto or the ICC, which are among the great global projects of our day.

So what's the way out of this bind? It's the same way out we used for NAFTA or for fast-track free-trade agreements. That is, we just pass a simple law. "Yes we will comply with Kyoto." Or: "We're in the ICC." It's a straight up or down vote in the House. Then it's 50 votes plus the veep in the Senate, if we get rid of the filibuster under special fast-track-type rules. Otherwise our next president is going to be a Woodrow Wilson.

Though "Wilsonian" can mean "idealistic," especially in neo-con talk, to me it means just "helpless," as in sidlined with a stroke. It's a way to describe a president who pushes human rights and comes up with a League of Nations but then is helpless to get the treaty passed. What's really "Wilsonian" about our foreign policy is this

schizophrenia, which keeps unnerving the world. There is a good United States, which virtually invented human rights. And there is a bad United States, which rages and throws a tantrum at the mention of a treaty. And now that global government is a bigger deal, as in Kyoto or the ICC, the tantrums are getting bigger, too. With both a Treaty Clause that requires a two-thirds vote and a wildly unrepresentative Senate, a group of senators representing 9 percent of the U.S. population could stop any UN-type effort to deal with global warming.

Think of all the UN Conventions we've waited decades to sign, or still have not signed. Or if we do sign them, we do it with "reservations"—like, "This treaty has no meaning if it means anything other than what we already do." By blowing off both Kyoto and the ICC, Bush took this version of American exceptionalism to a new level. And even if, miraculously, Bush wanted to ratify Kyoto and the ICC, he wouldn't have a prayer. We don't have a post-1945 constitution that would let us easily enter into world agreements. Our "imperial president" lacks the power of a British prime minister or a German chancellor; since 1919, presidents have seldom been able to cut a global deal on the really tough issues.

The next Democratic president will be looking straight down into Woodrow Wilson's grave—unless we just stop trying and failing to ratify these things as treaties. Instead, we should just do what we do when we pass a trade bill. A "law," or "Executive-Congressional agreement," or whatever you want to call it is just as good.

"But doesn't it still have to go through the House and Senate?" Yes, but if the House is Democratic, everything gets through the House. It's an electoral dictatorship, and Nancy Pelosi is like a Gordon Brown dealing with a British Parliament. The House, thank God, will pass damn near anything.

The problem is the Senate—but there's a way around the problem. In a law-journal article in 2004, George Washington University law professor Steve Charnovitz proposed a fast-track-type scheme for these laws to replace treaties. Congress indeed has rules exempting some bills (fast track, budget resolutions) from filibusters. Now to some, a mere law passed by two houses of Congress is not as good as a treaty: "If it's not a treaty, it's not binding." But a treaty is not binding, either, if we decide not to abide by it, as Bush

stopped abiding by the Anti-Ballistic Missile Treaty. In some ways, a law is really much better than a treaty, because it is more likely we can go to court to hold the United States to it. That can happen with a treaty, too. But as a lawyer, I'd much rather sue to enforce a statute. Treaties make judges nervous.

That's the case for using laws instead of treaties to deal with the great issues of our day, rejoin America to the rest of the world, and keep the next Democratic president from staring into Wilson's grave. **TAP**

*Thomas Geoghegan is a Chicago-based attorney and writer, and author of Which Side Are You On? Trying to Be for Labor When It's Flat on Its Back.*

*Why try and fail  
to enact treaties?*

*Why not enact  
them as domestic  
laws as we do with  
trade agreements?*